1. HC Agenda - 02.08.2017

   Documents:

   HC AGENDA - 02.08.2017.PDF

2. HC Minutes - 01.25.2017

   Documents:

   HC MINUTES - 01.25.2017.PDF

3. Revised - Short Term Rental Memo W/ Ch. 6 DRAFT Langauge

   Documents:

   SHORT TERM RENTAL MEMO WITH CH. 6 DRAFT LANGUAGE 02.03.2017.PDF

4. Housing Program Budget Memo - 02.08.2017

   Documents:

   HOUSING PROGRAM BUDGET MEMO 02.03.2017.PDF

5. HOME Funds Applications Memo - 02.08.2017

   Documents:

   HOME FUNDS APPLICATIONS MEMO 02.03.2017.PDF

6. Housing Trust Fund Annual Plan Memo - 02.08.2017

   Documents:

   HOUSING TRUST FUND ANNUAL PLAN MEMO 02.03.2017.PDF

HOUSING COMMITTEE

DATE: **Wednesday, February 8, 2017**
TIME: **5:30 p.m. – 7:30 p.m.**
LOCATION: **City Hall, City Council Chambers**

AGENDA

1. Review and accept Minutes of previous meeting held on January 25, 2016

2. Discussion of Short Term Rentals and potential policy framework drafted by Housing Committee Members – See enclosed memorandum by Tyler Norod, Housing Planner. *This is an actionable item and public comment may be taken.*

3. Housing Program Budget – See enclosed memorandum by Mary Davis, Housing Planner. *This is an actionable item and public comment may be taken.*

4. HOME Fund Applications – See enclosed memorandum by Mary Davis, Division Director. *This is an actionable item and public comment may be taken.*

5. Housing Trust Fund Annual Plan – See enclosed memorandum by Tyler Norod, Housing Planner. *This is an actionable item and public comment may be taken.*

6. Housing Committee member discussion and next steps

Councilor Jill Duson, Chair

Next Meeting Date: TBD

Housing Committee

Minutes of January 25, 2017 Meeting

A meeting of the Portland City Council's Housing Committee (HC) was held on Wednesday, January 11, 2017 at 6:30 P.M. in the City Council Chamber in Portland's City Hall. Councilors present at the meeting included Committee members Councilor David Brenerman, Councilor Brian Batson and Chair Councilor Jill Duson. City staff present included Director of Planning & Urban Development, Jeff Levine; Division Director Mary Davis; Assistant Corporation Counsel, Victoria Morales; and Housing Planner, Tyler Norod.

Item 1: Review and accept Minutes of previous meeting held on January 11, 2017.

Councilor Batson motioned and Councilor Brenerman seconded to accept the minutes from the January 11, 2017 Housing Committee meeting. Minutes were unanimously approved 3-0.

Item 2: Committee Discussion of Short Term Rentals and potential policy framework

Tyler introduced the memo outlining the Committee's previous discussion and questions. Topics included: Occupancy Restrictions; Non-Owner Occupied Unit Caps and the Island; Clarifying Registration Fees; On-Site Businesses; and Condominiums.

Councilor Brenerman asked about the regulatory framework; Item 1 – why is it not 30 days or less; which item allows STRs in business zone? Tyler indicates that direction from the Committee was to regulate by building type and not by zone. Victoria noted that the 30 day language would help differentiate units from long term rentals. Councilor Brenerman asked what percentage of revenue from fees goes to Housing Trust Fund (HTF) and what revenue goes to administer the program. Councilor Brenerman will probably offer an amendment to this later in the meeting.

Councilor Duson opens the discussion to public comment.

Harley Marshall and wife Katy, 467 Danforth Street, Ken Thomas' neighbor. Beautiful property, very well behaved guests; thinks Portland needs more places and more hosts like Ken Thomas; no complaints at Mr. Thomas' property. Believe what Mr. Thomas is doing works well, is appropriate and they support what he does.

Joey Brunelle, lives in the West End; this debate is not about any particular host. It is about how STR affects neighborhoods and the housing stock.

Tom Sidar, Deering Highlands neighborhood; Fees and registration have been the focus of the Committee. However, the focus should be on fairness to residents. The city is using a loop-hole not to enforce zoning on the backs of those who pay to live in residential zone neighborhoods. Party houses are proliferating because city has not been enforcing its own ordinances.

Ellen Sidar, Bradley Street; If the Council does not limit the number of allowed guests, neighborhoods will disappear. Hopes council will regulate number of guests and number of rental days.

Troy Wilkins, USM area; Works as full-time real estate agent; family has invested in rough neighborhoods; families want to move to Portland and they often want to visit via STRs before they commit to moving.

Eric _______, landlord in Portland; difference between owner & non-owner occupied is unfair. Should instead address issues that come up with problem STRs like the Disorderly House Ordinance.

Ralph Ashmore, Peaks Island resident; managed rental property on Peaks for over 30 years. Peaks now has a summer population of approximately 3000-4000 people. Peaks is a destination for visitors, vacationers, people who come back year after year; most property on island is owned by second homeowners. Make-up of island is very different from mainland neighborhoods; vital to economy of island; An STR cap would greatly impact the islands.

Brenda Gushee, retired Portland teacher; husband works out of town, they want to continue to own their Portland home. They used their home as a STR last summer and had a great experience. They will pay state taxes. Non-owner occupied single family STRs should be allowed.

Katy Harrigan, Rosemont/Deering Highlands neighborhood; bought first home this summer, owner occupied; financial situation changed shorty after purchasing home. Took advantage of wonderful city and it tourism to open up house to STR opportunities. Interested in learning more about caps on single family homes in residential neighborhoods.

Paul, Rosemont neighborhood; Owns a building in B2B zone specifically to use as a STR in tourist season and long term in the off season. Caps are hard to determine. Perhaps there should be a pre-registration period to determine an appropriate cap amount.

Scott Devos, Legacy Properties/Sothebys; Supports rental registration aspect of guidelines, does not understand proposed fee structure. Safety compliance aspect should be priority along with accountability of hosts. He primarily works managing short term rental properties, vacation properties up and down the coast. Willing to discuss these issues with committee members if they are interested.

Nancy Akers, Valley Street; Do STR guests live and vote in Maine? Private property ownership rights are important. Wouldn't want people taking advantage of STRs to impact future elections.

Mike Webster, Sherwood Street; How much do STR hosts make. He makes $27/night per room;

Scott Lindsay, Thinks this issue is a zoning issue. Understands that there are housing and affordability issues in Portland. What if number of people who want to host STR far exceeds the proposed cap? Where are these STRs, what type of zones are they in? Whole aspect of tourism that has taken the city by storm and we should not railroad through regulations.

Dani Almish, Hicks Street, Share Portland; Would appreciate a discussion of pre-registration period. Asks Committee to please question most things as you continue to deliberate.

Ken Thomas, Danforth Street; Offer a few questions from Share Portland, submitted written comments to Committee before the meeting started. Fee structure for islands should be the same as the mainland. Separate caps for island and mainland is not fair. Ban remote management of STR by management companies. Favor grandfathering of existing users without complaints and issues. Pre-determined caps will create problems. Allow a pre-determined period of time for existing users to registration and not exceed caps.

Crandall Toothaker, East End resident; With a 30 day or less rental period would he need a special license to rent STR in between long term rentals. Unfortunately the Disorderly House Ordinance does not work as intended. May need to be revised to be effective.

Public comment period was closed; Councilor Duson outlines committee discussion process.

Councilor Brenerman asks Mr. Toothaker a couple of questions, asks for clarification of his comments. Mr. Toothaker owns three buildings on one single property, as proposed they would not be able to rent as STR. As for the DHO, Mr. Toothaker bought a property a year and a half ago, but had signifiacant issues with tenants/landlords in surrounding buildings. The DHO was not effective in resolving issues. Had no choice but to buy those problem buildings or sell the buildings he owned around them. Does not know how to fix the ordinance. Councilor Brenerman suggests that the Committee may want to review DHO in a future meeting.

Councilor Duson would like to add DHO review to the Committee's work plan and suggests asking the Police Chief to provide the Committee with information. Councilor Batson agrees. Councilor Duson suggests this be next on the committee's agenda.

The next topic discussed by the Committee surrounded occupancy restrictions. Councilor Duson asks: Does suggested language work? Suggested changes? How are children counted? Tyler says ordinance just refers to guests, not by age.

Councilor Batson likes occupancy italicized language in the memo. Safety is an issue for him. Only question is how best to enforce it.

Councilor Brenerman has raised the occupancy limit question previously; wonders where language in memo came from, also is there any thought to addressing number of children. Tyler mentions that the language is similar to what is allowed in other temporary lodging types.

Councilor Duson says will only catch violations if something else comes up (too much noise), or by reviewing ads. Tyler indicates Inspections Department would need to fine tune the inspection process for a number of issues as a result of this new ordinance. Enforcement will likely be a challenge for a number of issues as currently proposed. Occupancy limit that is part of advertising requirements suggested by Councilor Duson. All three members agreed to move forward with suggested language in the memo.

Non-Owner Occupied Unit Caps and the Islands Discussion:

Tyler reviews memo information and explains why staff is proposing a separate cap on the islands. Proposal is 300 non-owner occupied for non-island rentals and 325 cap for island rentals. Councilor Duson suggests maybe cap issue should be re-examined in 6 months.

Councilor Brenerman thinks should have a 90 day registration period to better determine size of cap for non-island properties. We should have hosts register first and see how many units we get.

Councilor Batson concerned that with a registration period, could have a rush and produce false numbers with people who register in case they may want to do it in the future or not everyone will come forward and know about the special registration period. Would be more comfortable with setting a cap now and reviewing it in a shorter time period. Councilor Batson proposes staying with 300 cap and revisit it in 6 months. Councilor Brenerman would suggest 90 day registration period and review in three months. Consensus is 300 cap with review after 6 months when registration begins.

Island Cap Discussion: Councilor Duson and Brenerman suggest reviewing issue of cap on the islands in six month time frame to look at cap but that island STRs should still be required to register units.

Clarifying Registration Fees Discussion:

Councilor Duson recommends that non-owner occupied unit presented as an example in the staff memo should be considered at the higher $1,000 Non-Owner Occupied Unit structure level. Councilor Batson agrees. Councilor Brenerman agrees.

Tyler asks about fee structure. Fee should be $100 for first unit, fee structure would follow multi-family owner occupied unit with cap of 5 units. – Committee agrees.

On-Site Business Discussion:

Councilor Brenerman needed to make it clear that STRs are allowed in every zone. Asks Mr. Lindsay to explain his situation. All agree that these should fall under non-owner occupied and non-owner occupied fee structure.

Condominium Discussion:

All agree to treat condominiums as single family homes.

Regulatory Framework:

Item #1 - Councilor Brenerman proposes 30 days or less; Victoria references her previous memo and state law of licensee up to 29 days and tenant at will after that. Councilor Brenerman withdraws his proposal to alter item #1 based on Victoria’s explanation.

#2 - Ok

#3 - Add in the first year at six months and annually thereafter

#4 - Dispense with island cap until 6 month review

#5 - Ok

#6 - Ok

#7 - Add language that Committee would review ordinance with Chief of Police as soon as possible. Use draft ordinance language that says “will at the discretion of the city manager”. Delete “may”.

#8 – Ok, but under non-owner occupied multifamily fee structure.

#9 - Ok

#10 - Ok

#11 - Councilor Brenerman proposes “once STR administrative costs are met remainder shall be contributed to HTF”

#12 - Ok

#13 - Delete language in parenthesis

#14 - Ok

#15 - Ok

#16 - Ok

#17 - Ok

#18 - Ok

Matrix: ok; except that staff will need to come up with language to meet Committee intent for STRs in buildings with commercial uses.

Motion made by Councilor Brenerman to recommend regulatory framework pending review of actual ordinance language.

<u>Item 3: Housing Committee member discussion and next steps</u>

Next meeting will be held on February 8, 2017 at 5:30 pm. Agenda should include draft of committee workplan

On a motion made and seconded the meeting was adjourned at 9:38 PM.

Respectfully,

Mary Davis

TO: Councilor Duson, Chair
Members of the Housing Committee

FROM: Jeff Levine, Planning & Urban Development Director
Mary Davis, HCD Division Director
Tyler Norod, Housing Planner

DATED: February 8, 2017

RE: Short Term Rental (Airbnb) Regulation Framework

The Housing Committee last met to discuss potential short term rental (STR) regulations on January 25th, 2017. The most recent version of the draft STR regulatory framework proposed by the Committee at the previous meeting is attached to this memo along with draft ordinance language. The Committee has already expressed its comfort level with the attached framework pending review of draft ordinance language for Chapters 6 and Chapter 14 before making its final recommendation to the City Council. The following item regarding commercial buildings is the final item for discussion that was requested by the Committee at its last meeting.

Commercial Buildings with STRs

Previous iterations of the framework proposed by Committee members contained a proposal to allow building owners who operated a licensed business on-site to be considered an "owner-occupied" multifamily building under the regulations. There were several logistical hurdles to this proposal that led some Committee members to question if this would be the best direction for the City pursue. At the same time there was some desire from the Committee to accommodate STRs in commercial or mixed-use buildings. To this end, the Committee asked staff if there were any other ways to account for the potential of proportional STR uses per unit as outlined in the supported framework.

Since units typically only define residential units under rules existing City rules staff acknowledges that there is no perfect apples to apples comparison for differentiating between residential units and commercial space. The cleanest solution may be to allow the Permitting and Inspections Department to have latitude to determine how commercial space may be factored in to determining the total number of "units" in a building for the purposes of the regulatory charts outlined in the attached framework. If supported by the Committee the following language would be inserted into the draft STR ordinance language proposed for Chapter 6 of the City's Code:

> *Multi-unit shall mean a single, detached building in common ownership interest containing more than one (1) residential or commercial unit, as determined by the Director of the Permitting and Inspections.*

Short Term Rental (STR) Framework

Draft STR Regulatory Framework: Updated February 1, 2017

1. A Short Term Rental (STR) is a dwelling unit or rooming unit for transient guests for less than 30 days;

2. Property owners and their agents (Hosts) may not operate an STR without annually registering with the Housing Safety Office each unit or rooming unit;

3. The City will reevaluate the STR policy six months after registration begins and annually thereafter to understand the STR market impact on Portland's housing stock;

4. A cap of 300 units will be made available for all STR units that are not located on the islands and are not a host's primary residence. No cap for non-owner occupied units will initially be set for the islands.
    a. Once caps have been reached a wait list will be formed to help gauge market demand;
    b. The City will reevaluate the STR cap for both the islands and mainland six months after registration begins and annually thereafter to understand the STR market impact on Portland's housing stock and whether adjustments should be made to either cap;

5. Regardless of ownership structure, individuals shall not be allowed to register more than five (5) STR units across any buildings in Portland in which they have a financial interest;

6. Due to accountability and effective enforcement concerns only property owners will be able to register STRs, with the exception that a renter may register one apartment provided that:
    a. The apartment is their primary dwelling and the tenant submits a primary residence affidavit and associated documents;
    b. Along with their registration application and fee tenants must provide a notarized copy of the city drafted landlord-tenant STR permission letter signed by their landlord. The letter will include:
        i. Landlord and tenant's contact information;
        ii. A notarized statement of permission by landlord allowing tenant to rent apartment as STR including an acknowledgment by the owner of their liability under the Disorderly House Ordinance, inspections, and any fees or code violations;

7. A violation of the Disorderly House Ordinance will, at the discretion of the City Manager or their designee, result in an immediate revocation of the registration and 12 month suspension from registering again;

8. All Island rentals will continue to register with the Housing Safety Office. Because these rentals are typically rented seasonally the registration fee structure will follow the registration fees for owner-occupied multi-family buildings. Also, given the type of housing stock on the islands non-owner occupied single family homes shall be allowed to operate as STRs so long as they meet all other requirements;

9. Under the STR regulations condominiums will be considered single family homes subject to the same fees and STR limitations as outlined in the chart below;

   a. For clarity, the City's STR regulations will not supersede condominium bylaws pertaining to subletting or offering STR and each condominium association may enforce its own STR restrictions as the association deems appropriate;

10. STR will be addressed similarly to all other applicable building and land use violations as described under Section 6.1 of the City Code and the Disorderly House Ordinance;

11. All registration fees and penalties associated with STRs will be allocated to administrative costs for regulating STRs. Once the administrative needs have been met any remaining revenue will be allocated to the Housing Trust Fund.

12. Property management firms found operating STR's without proper registration may be fined. These fines may be in addition to fines levied against the property owner;

13. Where applicable, hosts must sign an affidavit that the registered unit is their primary residence and provide copies of documents approved by the City demonstrating compliance with this residency requirement, including government ID's, Homestead Exemption, voter registration, current business license, and/or any other documents deemed appropriate by City staff;

14. Hosts must complete the Owner's Pre-Inspection Checklist or similar document provided by the Housing Safety Office as part of the registration process;

15. As a condition of registration, STR's must allow onsite inspections, as well as upon request present their registration information, rental history and upcoming reservations;

16. A registration number will be given to each host per dwelling unit; this registration number shall be displayed in the dwelling unit and be featured in ads;

17. Failure of hosts or their representatives to adequately respond to inquiries by the City within a 48 hour period shall be considered a violation of these regulations and be subject to penalties under Section 6.1;

18. Overnight STR guest occupancy will be limited to two guests per bedroom plus no more than two additional guests who may utilize other sleeping space in another area of the dwelling unit such as a pullout couch. For example, a one bedroom dwelling unit could be rented for a total of four guests, whereas a two bedroom dwelling unit could be rented to a total of six guests; and

19. The number of STR units that may be operated in a building and their associated registration fees will depend on whether or not the building is owner occupied as further detailed in the chart on the next page.
    a. Fees will be cumulative and will increase based on the number of total units and each unit fee will relate to whether or not it is in an owner occupied or non-owner occupied building.
    b. Fees will be calculated by first using any STRs operating in single family homes or owner occupied multi-family buildings and then fees will be attributed at a higher rate for any units in non-owner occupied buildings. It will not matter what order the units are registered in as money owed will be adjusted accordingly to accurately reflect the

total registration fee due based on the number of total units and building typology represented.

i. If a property owner registers STRs in more than one building the registration fees will escalate based on the total number of STR's that they register rather than resetting the escalating fees for each building. For example, if a person owns two non-owner occupied three unit buildings and can register two units in each building the registration fee charged would be a total of $3,700 as fees rise even if registered STR units are not in the same building. If an owner also operates STRs in an owner occupied multi family or single family building the registration fees will accumulate the owner occupied unit first, no matter the timing of registration and the fee for the number of STR units in non-owner occupied buildings will start in a step above the number of STR units operated in a single family home or owner occupied multifamily building.

ii. If we look at the example above where an owner has two three unit properties -- one of which is owner occupied -- and chooses to register two STRs in each building, the STRs in the owner occupied building would be calculated first for a total of $350. The two units in the non-owner occupied building would trigger higher fees of $1,000 and $2,000 because they are the third and fourth STR units registered under that owner and these units are in a non-owner occupied building. In this scenario the total registration fee for both buildings would be $3,350.

iii. The order of units registered will not affect the total fee that is required as part of registration. The fees owed will be adjusted as units are registered to reflect the correct total amount. Owner occupied single family homes and units in owner occupied multifamily homes will always be tallied as the first units even if registered at a later date from units in non-owner occupied buildings. For example, if an owner registers two units in a non-owner occupied building for $700 and then a month later returns to register two units in a owner-occupied building the fee calculated will consider the units in the owner occupied buildings to be at the first and second unit rates and the units in the non-owner occupied building will be considered the third and fourth units for higher fees resulting in a total registration cost of $3,350. The previously paid amount of $700 will act as a credit towards the $3,350 owed and at the time of the second registration the owner would owe the remaining balance of $2,650.

Type of Building	**Limitations/Max # of STR**	**Registration Fee**
Single Family Home: Owner-Occupied*	May offer rooms in home as STR. When owner is away, may offer entire home as STR.	$100
Single Family Home: Not Owner-Occupied*	Not allowed except on the islands	N/A
Multi-Unit Building: Owner-Occupied	2 unit building – 2 STRs 3 unit building – 3 STRs 4 unit building – 4 STRs 5+ unit building – 5 STRs	1st Unit: $100 2nd Unit: $250 3rd Unit: $500 4th Unit: $1000 5th Unit: $2000
Multi-Unit Buildings: Not Owner Occupied	2 unit building – 1 STR 3-5 unit building – 2 STRs 6-9 unit building – 4 STRs 10+ unit building – 5 STRs	1st Unit: $200 2nd Unit: $500 3rd Unit: $1,000 4th Unit: $2,000 5th Unit: $4,000 NOTE: Fees are cumulative and escalate with additional units whether they are in the same building or spread across multiple properties.

* STRs in condominiums will be viewed as single family homes under these regulations

Chapter 14 Zoning Ordinance Definition Revisions to Dwelling

Chapter 14 LAND USE*

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*Cross reference(s)--Buildings and building regulations, Ch. 6; parks, recreation and public buildings, Ch. 18; sewers, Ch. 24; streets, sidewalks and other public places, Ch. 25; vegetation, Ch. 29.

State law reference(s)--Planning, zoning and development, 30 M.R.S.A. Sec. 4501 et seq.

Art. I. **In General, § 14-1--14-15**
Art. II. **Planning Board, § 14-16--14-45**
Art. III. **Zoning,** § **14-46--14-490**
Div. 1. Generally, § 14-46--14-59
Div. 1.5 Conditional or Contract Zoning, § 14-60--14-65
Div. 2. R-1 Residential Zone, § 14-66--14-75
Div. 3. R-2 Residential Zone, § 14-76--14-85
Div. 4. R-3 Residential Zone, § 14-86--14-93
Div. 4.5. FH Flexible Housing Zone, § 14-94--14-100
Div. 5. R-4 Residential Zone, § 14-101--14-115
Div. 6. R-5 Residential Zone., § 14-116--14-125
Div. 6.5. R-5A Residential Zone, §14-126--14-134
Div. 7. R-6 and R-6A Residential Zone, § 14-135—-14-140
Div. 7.01 R-7 Compact Urban Residential Overlay Zone, § 14-141--14-144
Div. 7.1. IR-1 Island Residential Zone, § 14-145.1—-14-145.6
Div. 7.2. IR-2 Island Residential Zone, § 14-145.7—-14-145.12
Div. 7.3. IR-3 Island Residential Zone, § 14-145.13—-14-145.19
Div. 7.5. Island Transfer Station Overlay Zone, § 14-145.20—-14-145.22
Div. 8. R-P Residence-Professional Zone, § 14-146-—14-152
Div. 8.1 USM University of Southern Maine Overlay Zone 14-152--14-152.9
Div. 8.5. R-OS Recreation and Open Space Zone, § 14-153—-14-160
Div. 9. B-1 and B-1b Neighborhood Business Zones, § 14-161—-14-180
Div. 10. B-2 and B-2b Community Business Zone, § 14-181—14-195
Div. 11. A-B Airport Business Zone, § 14-196—-14-215
Div. 12. B-3, B-3b and B-3c Downtown Business Zones, §

Day care facility: A facility which provides a regular program of care and protection for children under the age of sixteen (16), for consideration, for any part of the day.

Drinking establishment: Means and includes any establishment required to be licensed to sell alcoholic beverages for on-premises consumption, which is not regularly used for the purpose of providing full-course meals, as defined in Title 28-A of the Maine Revised Statutes, on the premises.

Drive-through facility: A commercial facility which provides a service directly to a motor vehicle occupant and where the customer drives a motor vehicle onto the premises and to a window or mechanical device through or by which the customer is served with or without exiting the vehicle. Drive-throughs do not include major or minor auto service stations.

Drive-through features: Features associated with drive-throughs including but not limited to designated travel or stacking lanes, intercom systems, menu boards, service windows, kiosks, mechanical devices, etc.

Dwelling: A building or portion thereof used exclusively for residential occupancy, including single-family, two-family and multifamily dwellings, but not including hotels, lodging houses, sheltered care group homes or tourist homes. Occupancy of dwellings for periods of less than 30 days are subject to the requirements of [Location of STR Oridance in Chapter 6]

Dwelling, one-family: A detached building used exclusively for occupancy by one (1) family.

Dwelling, two-family: A single building containing two dwelling units used exclusively for occupancy by two (2) families living independently of each other.

Dwelling, multifamily: A building or portion thereof containing three (3) or more dwelling units.

Dwelling unit: One (1) or more rooms with private bath and kitchen facilities comprising an independent self-contained dwelling unit.

Earth moving activity means any removal or placement, excavation, filling, stockpiling or grading of soil, earth,

DRAFT - Chapter 6 Ordinance Language

Portland, Maine
Yes. Life's good here.
Mary Davis
Division Director, Housing & Community Development Division

DRAFT – Chapter 6 Ordinance Language

The following draft revisions to Chapter 6 regarding Short Term Rentals (STRs) is intended to provide the Housing Committee with an example of how the language affecting STRs will be implemented in the ordinance. Most of the STR ordinance language will live within Article VI of Chapter 6. Article VI currently governs long term rentals and has experienced changes of its own within recent years with the adoption and refinement of the new Housing Safety Office.

Given the tight frame for preparing the this document and need for many different departments to weigh in there is a chance that additional minor revisions may be needed to ensure that the no unintended consequences result from the inclusion of the new STR language. Any revisions to the draft language before Council review are anticipated to be modest or simply recodify the intent of existing language present in today's ordinance. The intent of the Committee approved STR framework will remain the focus of any language for Council review.

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ARTICLE VI. ~~DISCLOSURE OF BUILDING OWNERSHIP~~Residential Rental Unit Registration Requirements

Sec. 6-150. Purpose.

The proliferation of real estate proprietorships, partnerships, and trusts having undisclosed, anonymous or otherwise unidentifiable principals, owning large numbers of residential rental properties, sometimes managed through unresponsive property management companies, has impeded the proper enforcement of this chapter, chapter 12 and other ordinances of the city. This article is intended to require the disclosure of the ownership of such property, the regulation of renting of property within the City, and to make owners and persons responsible for the maintenance of property more accessible and accountable with respect to the premises, and to ensure that owners and tenants comply with chapters 6 and 10 of the City Code.

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. 298-14/15, 7-6-2015)

Sec. 6-151. Definitions.

The definitions in 6-106 apply to this Article. The following words and phrases, when used in this article, shall have the meanings respectively ascribed to them:

Island Short Term Rental shall mean a short term rental located on one of the following islands in the City of Portland: Peaks Island, Long Island, Great Diamond Island, Cushing Island, Little Diamond Island, House Island, and/or Cliff Island.

Long Term Rental shall mean the letting of a rental unit in whole or in part for thirty (30) days or more.

Mainland Short Term Rental shall mean a short term rental located within the limits of the City of Portland, but not on Peaks Island, Long Island, Great Diamond Island, Cushing Island, Little Diamond Island, House Island and/or Cliff Island.

Multi-Unit shall mean a single, detached building in common ownership interest containing more than one (1) residential or commercial unit, as determined by the Director of the Permitting and Inspections Department.

Owner-Occupied shall mean a rental unit owned and occupied by the registrant as his or her primary residence.

Owner shall mean each individual person or entity including, without limitation, all partners, officers, or trustees of any real estate trust; all members or managers of a limited liability company; and all officers and directors of a corporation; that is the record owner of a building or property.

Primary Residence shall mean the dwelling in which a person resides as his or her legal residence for more than one half of a year and registers as his or her address for tax and government identification purposes.

Registrant shall mean the owner of a rental unit, or a tenant, with permission from the owner, seeking to register a rental unit.

Rental unit is a portion of any residential structure that is rented or available for rent to any individual or individuals for any length of time. Any portion of a Single-Family Home, Condominium, or Apartment that is rented or available to be rented to an individual or individuals who are not the owner or owners shall be considered a *rental unit*. *Dwelling units* and *rooming units* as defined in §6-106 are, without limitation, *rental units*. A Single-Family Home, Condominium, or Apartment that is occupied by the owner or owners, and of which no portion is rented or available for rent, is not a *rental unit*.

Short Term Rental is the letting of a rental unit, in whole or in part, for less than thirty (30) days.

Single Family Home shall mean a detached residential dwelling or a single condominium unit containing one dwelling unit.

Tenant-Occupied shall mean a rental unit in which the registrant is not the record owner of the rental unit, but lawfully occupies the rental unit as his or her primary residence.

Sec. 6-152~~1~~. Registration required.

~~(a)For purposes of this Article, a *rental unit* is a portion of any residential structure that is rented or available for rent to any individual or individuals for any length of time. A Single-Family Home, Condominium, or Apartment that is occupied by the owner or owners, and of which no portion is rented or available for rent, is not a *rental unit*. Any portion of a Single-Family Home, Condominium, or Apartment that is rented to or available to be rented to an individual or individuals who are not the owner or owners is a *rental unit*. *Dwelling units* and *rooming units* as defined in §6-106 are, without limitation, *rental units*.~~

(a)*Registration of Ownership.*

1. Rental units must be registered in accordance with this Article by January 1st of each year. Registration must be renewed annually, on or before January 1st, including updating all changes in previously submitted registration information.

2. If a rental unit is rented as both a short term and long term rental, it must be separately registered for each type of rentals.

3. Each owner, manager, or person/entity otherwise responsible for the rental unit, such as a property manager, shall be obligated under this Article. Any new owner, manager, or responsible person/entity must register within thirty (30) days of purchase of the rental unit or transfer of management or responsibility.

4. A rental unit shall not be considered registered until all information and fees are provided to the satisfaction of the City's Permitting and Inspections Department or its designee.

5. As a condition of registration, all owners must allow onsite inspections of their property including, without limitation, all rental units.

(b) *Information/Documentation Required.* Registration must be completed on forms supplied by the City's Permitting and Inspections Department or their designee and must provide, at a minimum, the following information:

1. The street address of the building;

2. The unit number of the rental unit;

3. The tax assessor's chart, block and lot of the property on which the building is located;

4. The owner of the property, including the owners' name, address, telephone number, and email address. If the owner is anything other than a natural person, the following information must also be included:

   a. Each individual person that has an ownership interest in any entity that is the record owner. This includes, without limitation, all partners, officers, or trustees of any real estate trusts; any members or managers of a limited liability company; and all officers and directors of a corporation; and

   b. The residential street address, e-mail address and home phone number of at least one (1) such individual person;

5. The manager of the property or the person or persons responsible for its regular maintenance or repair, as well as a name, address, telephone number, and email address for that person or entity.

6. The person designated as the agent of the owner or owners for the service of notices and civil process by the city, as well as their name, address, telephone number, and e-mail address. Service of notice and process upon the person so designated shall be deemed conclusive service upon the owner or owners.

(c) *Additional Information Required for Short Term Rentals.* A short term rental shall not be considered registered unless and until the registrant has submitted a complete application together with all information required by this article, paid the fee required by Sec 6-153, and a registration number has been issued.

In addition to the information required in Section 6-152(5)(b), a Short Term Rental registrant must provide at a minimum the following information and any other information requested by the City's Permitting and Inspections Department or their designee::

1. A short term rental application;
2. Whether the rental unit is owner-occupied, tenant-occupied, or non-owner occupied;
   a. For Short Term Rental units that are owner-occupied, the registrant must provide a notarized primary residence affidavit, on forms provided by the City.
   b. For Short Term Rental units that are tenant-occupied, the registrant must provide a notarized primary residence affidavit, a notarized statement of permission by his/her landlord, both on forms supplied by the City.

3. The address and tax assessor's chart, block, and lot number of all other short term rentals in the City in which the registrant has an ownership interest;

(d) *Display of Short Term Rental Registration Number Required.* Once registration is approved by the City, each short term rental shall be given a registration number, which much be displayed in the rental unit and in any and all advertisements for the rental unit.

(e) Upon request by the City, at any time, all registrants and/or agents of short term rental units must provide the City with their registration information, rental history, and upcoming reservation information. Failure of short term rental unit owners, tenants, and/or their representatives to adequately respond to inquiries by the City within a forty-eight (48) hour period shall be considered a violation under this ordinance.

~~(b)*Registration of ownership.* The owner or owners of all buildings containing one (1) or more rental units within the~~

~~city shall register their ownership interest, address, telephone number, and e-mail address, as well as the name, address and telephone number of the person or entity responsible for managing the property with a housing safety official designated by the city manager as provided in section 6-152 by January 1, 2016 or within thirty (30) days of purchase of the property and/or building, whichever occurs later.~~

~~(c) *Fee for Registration*. The owner or owners shall pay to a housing safety official designated by the city manager a fee of $35 per rental unit at the time of registration. Failure to pay this fee by January 1, 2016 shall constitute a violation pursuant to section 6-153.~~

~~(d) *Annual Renewal and Fee*. The owner or owners shall renew their registration annually by updating the information provided in their initial registration and by payment to the City through a housing safety official designated by the City Manager of a fee of $35 per rental unit. Failure to update information or pay the annual renewal fee by January 1 shall constitute a violation pursuant to section 6-153.~~

~~(e)*Registration of management companies.* Any individual, firm, corporation or purchaser under a land installment contract pursuant to Title 13 M.R.S.A. § 481 et seq. as may be amended from time to time, managing property subject to the registration requirements of subsection (a) shall register with the building authority its management responsibility by January 1, 2016 or within thirty (30) days of assuming management responsibility. Any filing shall be updated, at least annually, if there are any changes whatsoever with regard to the information supplied. Failure to register management responsibility or update the information supplied regarding such management responsibility shall constitute a violation pursuant to section 6-153.~~

6-153. Registration Fees.

(a) *Annual Registration Fee*. Upon initial registration and by January 1st of each year, registrants shall pay the City a registration fee for each rental unit, in the amounts set forth below. A rental unit shall not be considered registered unless and until this fee is paid in full.

(b) *Long Term Rental Registration Fee.* The registrant of a long term rental shall pay thirty five dollars ($35.00) to the City by January 1st of each year.

(c) *Short Term Rental Registration Fee Structure.* The registrant of a short term rental shall pay the fee specified in the chart below. All fees will be cumulative and will increase based on the number of total units registered by the owner. The fee total will accumulate first by counting any short term rental units operating in a single family home or owner occupied multi-family buildings and then fees will be attributed at the higher rate for any units located in non-owner occupied buildings. If an owner registers units in both owner occupied and non-owner occupied buildings then the owner occupied fees will be considered the first unit under the fee structure starting with the 1st unit fee as described in the chart below regardless of the order in which the units are registered.

Owner Occupied Single Family Home , or Tenant Occupied	$100
Multi-Unit Owner Occupied Building Island Short Term Rentals	1st Unit - $100 2nd Unit - $250 3rd Unit - $500 4th Unit - $1,000 5th Unit - $2,000
Multi-Unit Non-Owner Occupied Building	1st Unit - $200 2nd Unit - $500 3rd Unit - $1,000 4th Unit - $2,000 5th Unit - $4,000

(d~~f~~) *Registration and Renewal Fee Discounts.* ~~In recognition that there are certain actions that owners of rental units may take that reduce the safety risk and decrease the financial burden upon the City, the~~ The following discounts shall apply to the registration ~~fee~~ and renewal fees~~ are available~~:

(1) $10 discount for each rental unit within a fully-sprinkled building as verified by a testing report, maintenance report or a maintenance contract, which shall be provided at the time of registration and upon each registration renewal;

(2) $7.50 discount for each rental unit within a building with a centrally-monitored fire alarm as verified by Fire Department logs or an alarm contract, which shall be provided at the time of registration and upon each registration renewal;

(3) $5.00 for a rental unit that has been subject to and has passed a Housing and Urban Development Housing Quality Standard (HQS) inspection within the preceding year as verified by the HQS inspection report, which shall be provided at the time of registration and upon each registration renewal;

(4) $10.00 for a rental unit that has been subject to and has passed a Housing and Urban Development Uniform Physical Condition Standard (UPCS) inspection within the preceding year as verified by the UPCS inspection report, which shall be provided at the time of registration and upon each registration renewal;

(5) $2.50 for a rental unit that is subject to a signed lease which prohibits smoking by tenants as verified by a copy of the current lease, which shall be provided at the time of registration and upon each registration renewal. The existence of and enforcement of ~~such~~ this provision may ~~also~~ be verified through an inspections ~~or upon spot checks~~ of ~~the~~ each rental unit.

The total amount of discounts from the annual registration or renewal fee as described above shall not exceed $20.00, and the minimum annual fee for registration or renewal shall be $15.00 per unit.

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. No. 246-97, 4-9-97; Ord. 298-14/15, 7-6-2015; Ord. 69-15/16, 10/5/2015)

Sec. 6-154. Limitations on Short Term Rentals.

(a) *Occupancy Limit*. Overnight short term rental guest occupancy in each rental unit will be limited to two (2) guests per bedroom plus no more than two (2) additional guests.

(b) *Limitation on Total Number of Short Term Rentals*. No more than 300 non-owner occupied mainland short term rental units shall be registered in any one calendar year.

(c) *Limitations on number of Short Term Rentals an Individual or Entity May Register.* An individual or entity may only register up to five (5) short term rentals in the City, including the Islands, in any one (1) calendar year. For purposes of this section, short term rentals registered by an entity in which the registrant has an ownership interest shall be counted towards this limit.

(d) No individual or entity may register a short term rental in any single family home unless it is owner-occupied; tenant-occupied with permission of the owner; or located on an Island.

(e) The number of short term rental units that may be operated in a multi-unit building are as follows:

Total # of Units in a Building	**# of Short Term Rental Units Allowed in a Building**	
	Owner Occupied	**Non-Owner Occupied**
2	2	1
3	3	2
4	4	2
5	5	2
6-9	5	4
10+	5	5

Tenant-occupied units, where the tenant is the registrant, shall not be counted towards these limits.

Sec. 6-155. Allocation of Short Term Rentals.

The limitations on the allocation of short term rental units identified in section 6-154(b) shall be allocated each year on a first come, first registered basis. Once the total number of units identified in section 6-154(b) has been reached a waitlist will be formed to help gauge market demand. The City Manager or his/her designee, may institute a lottery process at his/her discretion.

Sec. 6-156. Violations.

Specific violations of this article, subject to the provisions of § 6-1, include, but are not limited to:

(a) Any person, business entity, or other organization failing to timely register a rental unit, including providing all required information and paying the required registration fee.

(b) Any person, business entity, or other organization providing false information with respect to registration. Notwithstanding the provisions of § 6-1, the penalty for such violation shall be $1,000.00.

(c) Any person, business entity, or other organization renting any rental unit that is not registered under this article, or to permit the occupancy of such premises without registration.

(d) Failure of short term rental unit owners, tenants, and/or their representatives to adequately respond to inquiries by the City pursuant to 6-152(e) within a forty-eight (48) hour period.

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. 298-14/15, 7-6-2015)

~~Sec. 6-152. Registration form; information.~~

~~A housing safety official designated by the city manager shall provide forms to be completed by the owners and managers of properties subject to registration under this article and shall maintain a file containing all registrations made under this article.~~

~~(a) The registration form for owners shall include, at a minimum, the following:~~

~~1. The street address of the building;~~

~~2. The assessor's chart, block and lot of the property on which the building is located;~~

~~3. The names, addresses, telephone numbers, and e-mail addresses of all individual persons having~~

~~any ownership interest in the property including, without limitation, all partners, all officers or trustees of any real estate trusts; and including the residential street address, e-mail address and home phone number of at least one (1) such individual person;~~

~~4. The name, address and telephone number of the manager of the property or the person or persons responsible for its regular maintenance or repair;~~

~~5. The name, address, and e-mail address of a person designated as the agent of the owner or owners for the service of notices and civil process by the city. Service of notice and process upon the person so designated shall be deemed conclusive service upon the owner or owners designating that person in any litigation pertaining to the premises.~~

~~(b) The registration form for managers of property shall include, at a minimum, the following:~~

~~1. The name, address, e-mail address and local telephone number of the management company and of at least one (1) such individual, including the residential street address, e-mail address and home telephone number of that individual; and~~

~~2. A list of all buildings for which the person or firm is responsible, including the street address and chart, block and lot description of the property and the name of the owner of that building.~~

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. 298-14/15, 7-6-2015)

Sec. 6-153. Violations.

~~(a)~~(e) Any person business entity or other organization failing to timely file the required registration or failing to timely pay, in full, the registration fee or annual renewal fee, or failing to timely file any required update to the registration shall be in violation of this Article for which a fine of $100.00

per day each day the violation continues shall be assessed.

~~(b)~~(f) Any person providing false information with respect to registration shall be in violation of this article for which a fine of $1,000.00 shall be assessed.

~~(c)~~(g) It shall be a violation of this article for which a fine of $100.00 per day each day the violation continues shall be assessed for any owner or manager to rent any apartment or other portion of any building subject to registration, not registered under this article, or to permit the occupancy of such premises.

(d) No certificate of occupancy shall be issued for property subject to the registration requirements which is not registered in accordance with this article.

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. 298-14/15, 7-6-2015)

Sec. 6-157. Enforcement.

(a) The building authority as defined in section 6-1 or his/her designee is authorized to institute, or cause to be instituted by and through the office of the corporation counsel, in the name of the city, any and all actions, legal or equitable, that may be appropriate or necessary for the enforcement of the provisions of this article.

(b) No certificate of occupancy shall be issued for property that is subject to the registration requirements of this article, but is not registered in accordance with this article.

(c) Any short term rental at a property that is designated by the City as a disorderly house and fails to meet the requirements of section 6-202, shall, at the discretion of the City Manager or this/her designee, have its registration revoked and be ineligible for registration for a period of twelve (12) months. Any registration after revocation shall be considered a new registration and not a renewal.

(d) Fines may be attributed to Property Management firms found operating short term rental units in violation of this article. These fines may be in addition to fines levied against owners of property.

Sec. 6-158. Revenue Allocation.

Notwithstanding § 6-1(b), all revenue generated from short term rental registration fees and penalties shall be used to first fund short term rental related administrative costs. Any remaining revenue shall be deposited in the Housing Trust Fund, as defined in Sec. 14-489.

~~**Sec. 6-154. Reserved.**~~
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~~**Sec. 6-158. Reserved.**~~
Sec. 6-159. Reserved.
Sec. 6-160. Reserved.
Sec. 6-161. Reserved.
Sec. 6-162. Reserved.
Sec. 6-163. Reserved.
Sec. 6-164. Reserved.

ARTICLE VI. Residential Rental Unit Registration Requirements

Sec. 6-150. Purpose.

The proliferation of real estate proprietorships, partnerships, and trusts having undisclosed, anonymous or otherwise unidentifiable principals, owning large numbers of residential rental properties, sometimes managed through unresponsive property management companies, has impeded the proper enforcement of this chapter, chapter 12 and other ordinances of the city. This article is intended to require the disclosure of the ownership of such property, the regulation of renting of property within the City, and to make owners and persons responsible for the maintenance of property more accessible and accountable with respect to the premises, and to ensure that owners and tenants comply with chapters 6 and 10 of the City Code.

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. 298-14/15, 7-6-2015)

Sec. 6-151. Definitions.

The definitions in 6-106 apply to this Article. The following words and phrases, when used in this article, shall have the meanings respectively ascribed to them:

Island Short Term Rental shall mean a short term rental located on one of the following islands in the City of Portland: Peaks Island, Long Island, Great Diamond Island, Cushing Island, Little Diamond Island, House Island, and/or Cliff Island.

Long Term Rental shall mean the letting of a rental unit in whole or in part for thirty (30) days or more.

Mainland Short Term Rental shall mean a short term rental located within the limits of the City of Portland, but not on Peaks Island, Long Island, Great Diamond Island, Cushing Island, Little Diamond Island, House Island and/or Cliff Island.

Multi-Unit shall mean a single, detached building in common ownership interest containing more than one (1) residential or commercial unit, as determined by the Director of the Permitting and Inspections Department.

Owner-Occupied shall mean a rental unit owned and occupied by the registrant as his or her primary residence.

Owner shall mean each individual person or entity including, without limitation, all partners, officers, or trustees of any real estate trust; all members or managers of a limited liability company; and all officers and directors of a corporation; that is the record owner of a building or property.

Primary Residence shall mean the dwelling in which a person resides as his or her legal residence for more than one half of a year and registers as his or her address for tax and government identification purposes.

Registrant shall mean the owner of a rental unit, or a tenant, with permission from the owner, seeking to register a rental unit.

Rental unit is a portion of any residential structure that is rented or available for rent to any individual or individuals for any length of time. Any portion of a Single-Family Home, Condominium, or Apartment that is rented or available to be rented to an individual or individuals who are not the owner or owners shall be considered a *rental unit*. *Dwelling units* and *rooming units* as defined in §6-106 are, without limitation, *rental units*. A Single-Family Home, Condominium, or Apartment that is occupied by the owner or owners, and of which no portion is rented or available for rent, is not a *rental unit*.

Short Term Rental is the letting of a rental unit, in whole or in part, for less than thirty (30) days.

Single Family Home shall mean a detached residential dwelling or a single condominium unit containing one dwelling unit.

Tenant-Occupied shall mean a rental unit in which the registrant is not the record owner of the rental unit, but lawfully occupies the rental unit as his or her primary residence.

Sec. 6-152. Registration required.

(a)*Registration of Ownership.*

1. Rental units must be registered in accordance with this Article by January 1st of each year. Registration must be renewed annually, on or before January 1st, including updating all changes in previously submitted registration information.

2. If a rental unit is rented as both a short term and long term rental, it must be separately registered for each type of rentals.

3. Each owner, manager, or person/entity otherwise responsible for the rental unit, such as a property manager, shall be obligated under this Article. Any new owner, manager, or responsible person/entity must register within thirty (30) days of purchase of the rental unit or transfer of management or responsibility.

4. A rental unit shall not be considered registered until all information and fees are provided to the satisfaction of the City's Permitting and Inspections Department or its designee.

5. As a condition of registration, all owners must allow onsite inspections of their property including, without limitation, all rental units.

(b) *Information/Documentation Required.* Registration must be completed on forms supplied by the City's Permitting and Inspections Department or their designee and must provide, at a minimum, the following information:

1. The street address of the building;

2. The unit number of the rental unit;

3. The tax assessor's chart, block and lot of the property on which the building is located;

4. The owner of the property, including the owners' name, address, telephone number, and email address. If the owner is anything other than a natural person, the following information must also be included:

a. Each individual person that has an ownership interest in any entity that is the record owner. This includes, without limitation, all partners, officers, or trustees of any real estate trusts; any members or managers of a limited liability company; and all officers and directors of a corporation; and

b. The residential street address, e-mail address and home phone number of at least one (1) such individual person;

5. The manager of the property or the person or persons responsible for its regular maintenance or repair, as well as a name, address, telephone number, and email address for that person or entity.

6. The person designated as the agent of the owner or owners for the service of notices and civil process by the city, as well as their name, address, telephone number, and e-mail address. Service of notice and process upon the person so designated shall be deemed conclusive service upon the owner or owners.

(c) *Additional Information Required for Short Term Rentals.* A short term rental shall not be considered registered unless and until the registrant has submitted a complete application together with all information required by this article, paid the fee required by Sec 6-153, and a registration number has been issued.

In addition to the information required in Section 6-152(5)(b), a Short Term Rental registrant must provide at a minimum the following information and any other information requested by the City’s Permitting and Inspections Department or their designee::

1. A short term rental application;
2. Whether the rental unit is owner-occupied, tenant-occupied, or non-owner occupied;
   a. For Short Term Rental units that are owner-occupied, the registrant must provide a

notarized primary residence affidavit, on forms provided by the City.

b. For Short Term Rental units that are tenant-occupied, the registrant must provide a notarized primary residence affidavit, a notarized statement of permission by his/her landlord, both on forms supplied by the City.

3. The address and tax assessor's chart, block, and lot number of all other short term rentals in the City in which the registrant has an ownership interest;

(d) *Display of Short Term Rental Registration Number Required.* Once registration is approved by the City, each short term rental shall be given a registration number, which much be displayed in the rental unit and in any and all advertisements for the rental unit.

(e) Upon request by the City, at any time, all registrants and/or agents of short term rental units must provide the City with their registration information, rental history, and upcoming reservation information. Failure of short term rental unit owners, tenants, and/or their representatives to adequately respond to inquiries by the City within a forty-eight (48) hour period shall be considered a violation under this ordinance.

6-153. Registration Fees.

(a) *Annual Registration Fee*. Upon initial registration and by January 1st of each year, registrants shall pay the City a registration fee for each rental unit, in the amounts set forth below. A rental unit shall not be considered registered unless and until this fee is paid in full.

(b) *Long Term Rental Registration Fee.* The registrant of a long term rental shall pay thirty five dollars ($35.00) to the City by January 1st of each year.

(c) *Short Term Rental Registration Fee Structure*. The registrant of a short term rental shall pay the fee specified in the chart below. All fees will be cumulative and will increase based on the number of total units registered by the owner. The fee total will accumulate first by counting any short term rental units operating in a single family home or owner occupied multi-family buildings and then fees will be attributed at the higher rate for any units located in non-owner occupied buildings. If an owner registers units in both owner occupied and non-owner occupied buildings then the owner occupied fees will be considered the first unit under the fee structure starting with the 1st unit fee as described in the chart below regardless of the order in which the units are registered.

Owner Occupied Single Family Home , or Tenant Occupied	$100
Multi-Unit Owner Occupied Building Island Short Term Rentals	1st Unit - $100 2nd Unit - $250 3rd Unit - $500 4th Unit - $1,000 5th Unit - $2,000
Multi-Unit Non-Owner Occupied Building	1st Unit - $200 2nd Unit - $500 3rd Unit - $1,000 4th Unit - $2,000 5th Unit - $4,000

(d) *Registration and Renewal Fee Discounts.* The following discounts shall apply to the registration and renewal fees:

(1) $10 discount for each rental unit within a fully-sprinkled building as verified by a testing report, maintenance report or a maintenance contract, which shall be provided at the time of registration and upon each registration renewal;

(2) $7.50 discount for each rental unit within a building with a centrally-monitored fire alarm as verified by Fire Department logs or an alarm contract, which shall be provided at the time of registration and upon each registration renewal;

(3) $5.00 for a rental unit that has been subject to and has passed a Housing and Urban Development Housing

Quality Standard (HQS) inspection within the preceding year as verified by the HQS inspection report, which shall be provided at the time of registration and upon each registration renewal;

(4) $10.00 for a rental unit that has been subject to and has passed a Housing and Urban Development Uniform Physical Condition Standard (UPCS) inspection within the preceding year as verified by the UPCS inspection report, which shall be provided at the time of registration and upon each registration renewal;

(5) $2.50 for a rental unit that is subject to a signed lease which prohibits smoking by tenants as verified by a copy of the current lease, which shall be provided at the time of registration and upon each registration renewal. The existence of and enforcement of this provision may be verified through an inspections of each rental unit.

The total amount of discounts from the annual registration or renewal fee as described above shall not exceed $20.00, and the minimum annual fee for registration or renewal shall be $15.00 per unit.

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. No. 246-97, 4-9-97; Ord. 298-14/15, 7-6-2015; Ord. 69-15/16, 10/5/2015)

Sec. 6-154. Limitations on Short Term Rentals.

(a) *Occupancy Limit*. Overnight short term rental guest occupancy in each rental unit will be limited to two (2) guests per bedroom plus no more than two (2) additional guests.

(b) *Limitation on Total Number of Short Term Rentals*. No more than 300 non-owner occupied mainland short term rental units shall be registered in any one calendar year.

(c) *Limitations on number of Short Term Rentals an Individual or Entity May Register*. An individual or entity may only register up to five (5) short term rentals in the City, including the Islands, in any one (1) calendar year. For purposes of this section, short term rentals registered by an entity in which the registrant has an ownership interest shall be counted towards this limit.

(d) No individual or entity may register a short term rental in any single family home unless it is owner-occupied; tenant-occupied with permission of the owner; or located on an Island.

(e) The number of short term rental units that may be operated in a multi-unit building are as follows:

Total # of Units in a Building	**# of Short Term Rental Units Allowed in a Building**	
	Owner Occupied	**Non-Owner Occupied**
2	2	1
3	3	2
4	4	2
5	5	2
6-9	5	4
10+	5	5

Tenant-occupied units, where the tenant is the registrant, shall not be counted towards these limits.

Sec. 6-155. Allocation of Short Term Rentals.

The limitations on the allocation of short term rental units identified in section 6-154(b) shall be allocated each year on a first come, first registered basis. Once the total number of units identified in section 6-154(b) has been reached a waitlist will be formed to help gauge market demand. The City Manager or his/her designee, may institute a lottery process at his/her discretion.

Sec. 6-156. Violations.

Specific violations of this article, subject to the provisions of § 6-1, include, but are not limited to:

(a) Any person, business entity, or other organization failing to timely register a rental unit, including providing all required information and paying the required registration fee.

(b) Any person, business entity, or other organization providing false information with respect to registration. Notwithstanding the provisions of § 6-1, the penalty for such violation shall be $1,000.00.

(c) Any person, business entity, or other organization renting any rental unit that is not registered under this article, or to permit the occupancy of such premises without registration.

(d) Failure of short term rental unit owners, tenants, and/or their representatives to adequately respond to inquiries by the City pursuant to 6-152(e) within a forty-eight (48) hour period.

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. 298-14/15, 7-6-2015)

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. 298-14/15, 7-6-2015)

Sec. 6-153. Violations.

(e) Any person business entity or other organization failing to timely file the required registration or failing to timely pay, in full, the registration fee or annual renewal fee, or failing to timely file any required update to the registration shall be in violation of this Article for which a fine of $100.00 per day each day the violation continues shall be assessed.

(f) Any person providing false information with respect to registration shall be in violation of this article for which a fine of $1,000.00 shall be assessed.

(g) It shall be a violation of this article for which a fine of $100.00 per day each day the violation continues shall be assessed for any owner or manager to rent any apartment or other portion of any building subject to registration, not registered under this article, or to permit the occupancy of such premises.

(d) No certificate of occupancy shall be issued for property subject to the registration requirements which is not registered in accordance with this article.

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. 298-14/15, 7-6-2015)

Sec. 6-157. Enforcement.

(a) The building authority as defined in section 6-1 or his/her designee is authorized to institute, or cause to be instituted by and through the office of the corporation counsel, in the name of the city, any and all actions, legal or equitable, that may be appropriate or necessary for the enforcement of the provisions of this article.

(b) No certificate of occupancy shall be issued for property that is subject to the registration requirements of this article, but is not registered in accordance with this article.

(c) Any short term rental at a property that is designated by the City as a disorderly house and fails to meet the requirements of section 6-202, shall, at the discretion of the City Manager or this/her designee, have its registration revoked and be ineligible for registration for a period of twelve (12) months. Any registration after revocation shall be considered a new registration and not a renewal.

(d) Fines may be attributed to Property Management firms found operating short term rental units in violation of this article. These fines may be in addition to fines levied against owners of property.

Sec. 6-158. Revenue Allocation.

Notwithstanding § 6-1(b), all revenue generated from short term rental registration fees and penalties shall be used to first fund short term rental related administrative costs. Any remaining revenue shall be deposited in the Housing Trust Fund, as defined in Sec. 14-489.

Sec. 6-159. Reserved.
Sec. 6-160. Reserved.
Sec. 6-161. Reserved.
Sec. 6-162. Reserved.
Sec. 6-163. Reserved.
Sec. 6-164. Reserved.

Mary Davis
Division Director, Housing & Community Development Division

TO: Councilor Duson, Chair
Members of the Housing Committee

FROM: Mary Davis, Division Director
Tyler Norod, Housing Planner
Housing and Community Development Division

DATE: February 8, 2016

SUBJECT: 2017-2018 Housing Program Budget

SUMMARY OF ISSUE – Review and recommendation to the City Council of the 2017-2018 Housing Program Budget.

REASON FOR SUBMISSION - The Housing Committee recommends the Housing Program Budget to the City Council for final approval.

INTENDED RESULT - HOME Program: The Home Investments Partnerships Program (HOME) was established by Congress in 1992. Since 1992, the City of Portland and the Cumberland County HOME Consortium have received over $18.9 million dollars in HOME funding. In 2009 the City became the lead entity in the Cumberland County HOME Consortium (CCHC). The Consortium is a partnership of the communities in Cumberland County that administers HOME Program funds in Cumberland County. The creation of the consortium expanded the financial resources for affordable housing activities in the region. The City retains independent operation of its HOME program. Because the City serves as the "Lead Entity" and City staff administers the County portion of the funding, all administrative funds are retained by the City. The County's Municipal Oversight Committee controls the allocation of the County's portion of the HOME funds.

When the Consortium was formed in 2009, it included a "hold harmless" clause to ensure that the City, as an existing HOME grantee, would continue to receive funding equal to its allocation prior to the formation of the consortium. The "hold harmless" formula was based on a comparison ratio to the HOME funding for the Lewiston/Auburn (L/A) Consortium. The formula identified Portland's "hold harmless" amount at 118% of the HOME allocation for the L/A Consortium. The Cumberland County HOME Agreement did allow for adjustments to be made if the current level of funding to the L/A HOME Consortium varied from historic levels. Over the years the L/A allocation has decreased which has resulted in the Portland "hold harmless" amount to decrease. As a result, by agreement with the other members of the CCHC, the annual allocation is divided with

57% of allocation, after the administrative set-aside, to the City and 43% of the funding to the County.

As a point of reference, if the City were a stand-alone grantee, the estimated HOME allocation for Portland (using a HUD HOME Allocation estimated calculation) would be approximately $429,000. Of that amount 10% would be set aside for administrative costs ($42,900) leaving $386,100 for program funding. Under the current consortium agreement, the city receives the administrative set-aside along with approximately $427,000 in program funds. Participation in the HOME consortium benefits Portland as well as the county as a whole.

HUD has not announced the allocation amount for FY 2017-2018. As we have done in the past, we are estimating the HUD HOME allocation at the same level as the previous year which is $832,642. $322,233 of this amount is reserved for County projects. The budget proposal was developed after a historical review of HOME funding allocations, previous year's budget allocations, program expenditures and program income (loan repayments) received. Currently, the City's HOME Program is divided into four funding categories:

1. Administration
2. Housing Rehabilitation
3. Tenant Based Rental Assistance (TBRA)
4. Affordable Housing Development [including the required Community Housing Development Organization (CHDO) set-aside mandated by HUD]

CDBG/Housing Development Fund: Housing and Community Development Division did not request funding in the FY 17/18 CDBG process. Staff and housing program costs normally funded through CDBG, are being funded through the Housing Development Fund (HDF). HDF is the program income account funded by CDBG housing loan repayments. Currently, the HDF fund is divided into two funding categories, administration and housing rehabilitation.

FINANCIAL IMPACT - This budget is based on CDBG and HOME Program allocations from the U.S. Department of Housing and Urban Development along with HDF Program Income Account.

STAFF ANALYSIS AND RECOMMENDATION – The proposed Housing Program Budget can be adjusted if necessary when HUD announces the fiscal year allocation. This budget, as may be amended by the Housing Committee, will be forwarded to the full City Council for two Public Hearings, as part of the overall HCD budget. The final

Mary Davis
Division Director, Housing & Community Development Division

budget allocations and Annual Action Plan are submitted to HUD on May 15 for the fiscal year beginning July 1, 2017.

At this time staff is requesting Committee approval and recommendation to the City Council of the FY 17/18 Housing Program Budget as outlined in the attachment. If the HUD allocation amount is different from the estimate used in this budget, program budgets will be adjusted proportionately.

FY 17/18 Housing Program Budget - Attached

2017-2018 HOUSING PROGRAM BUDGET   HUD Final Allocation Date:

Draft 02.03.17

Recommended by HC (date)

Approved by Council (date)

Total HUD HOME Entitlement Allocation	832,642
Portland Portion	427,145
County Portion	322,233

REVENUES- Housing Programs	*HOME*	*CDBG*	*HDF***	*LEAD Safe Housing Program Income****	*Housing Trust Fund****	***TOTAL BUDGET***
2017-18 HOME Consortium Admin (10% of allocation)	83,264					*83,264*
2017-18 HOME Consortium Programming	427,145					*427,145*
2016-17 HOME Program Income	200,000					*200,000*
Re-Allocated HOME Funds (funding from previous years)						*0*
2017-18 CDBG Administration						*0*
2017-18 CDBG Programming						*0*
2017-2018 Housing Trust Fund					468,551	*468,551*
2016-17 HDF Program Income			362,113			*362,113*
2016-17 Lead Safe Housing Program Income				170,866		*170,866*
REVENUE TOTALS (Portland)	710,409	0	362,113	170,866	468,551	***1,711,939***

EXPENDITURES SUMMARY= Housing Programs	*HOME*	*CDBG*	*HDF***	*LEAD Safe Housing Program Income****	*Housing Trust Fund****	***TOTAL BUDGET***
Administration						*133,612*
HOME Admin Allocation (2017-18)	83,264					
HDF/CDBG Housing Staff (2017-18)			50,348			
Programming						*1,578,327*
HOME Consortium (2017-18)	427,145					
HOME Program Income (2016-17)	200,000					
Re-Allocated HOME Funds						
CDBG Programming (2017-18)						
Housing Trust Fund (2017-18)					468,551	
HDF Program Income (2016-17)			311,765			
LEAD SAFE HOUSING Program Income (2016-17)				170,866		
EXPENDITURES SUMMARY TOTALS (Portland)	710,409	0	362,113	170,866	468,551	***1,711,939***

2017-18 HOUSING Budget by Activity (Portland)	*HOME*	*CDBG*	*HDF***	*LEAD Safe Housing Program Income****	*Housing Trust Fund****	***TOTAL BUDGET***
Administration PL1801/QS1801	103,264		50,348			*153,612*
Housing Rehabilitation (30 Units @ $15,000/unit) QM1800/QB1800	150,000		311,765			*461,765*
Homeownership Assistance QJ1800	0					*0*
Tenant-Based Rental Assistance QT1801	130,000					*130,000*
Affordable Housing Development QK1800/IN1114	255,954				468,551	*724,505*
CHDO QL1800	71,191					*71,191*
Lead Safe Housing PLL036	0			170,866		*170,866*
	710,409	0	362,113	170,866	468,551	***1,711,939***

** Balance of Previously Budgeted Amounts + New Revenue

*** Balance of Previously Budgeted Amount

2017-18 HOME Consortium COUNTY - approved by MOC on (date)

County HOME Program budget provided for reference only;

Allocation of County funds is done by the County's Municipal Oversight Committee

REVENUES- Housing Programs	*HOME Consortium*
2017-18 HOME Consortium Non-Portland Programming	322,233
2016-17 HOME County Program Income	
	322,233

2017-18 HOUSING Budget by Activity	*HOME County*
Housing Rehabilitation (15 projects @ $15,000/project) QP1800	220,000
Home Ownership QQ1800	
Affordable Housing Development QD1800	48,528
CHDO QR1800	53,705
	322,233

Mary Davis
Division Director, Housing & Community Development Division

TO: Councilor Duson, Chair
Members of the Housing Committee

FROM: Mary Davis, Division Director
Tyler Norod, Housing Planner
Housing and Community Development Division

DATE: February 8, 2017

SUBJECT: Annual Affordable Housing Development HOME Funds Applications

A Housing Investment Policy was approved by the City Council in November 2012. The policy calls for an annual RFP process for the allocation of city resources for the development of affordable housing. On advice from the City's Purchasing Office, it was determined that an application process would work best in awarding funds for affordable housing development.

Council Goal Addressed

2014: Provide increased availability in all segments of the housing market while insuring that there is a suitable balance of housing opportunities among those sectors;

2015/16: Plan for five new "Housing First" projects.

Financial Impact

Historically, HUD has administered its programs on a first-in-first-out (FIFO) basis. Under FIFO, funds were committed and disbursed against the oldest grants with funds available. As a result of a recent national audit by HUD's Office of the Inspector General (OIG), it was determined that FIFO accounting did not comply with federal financial management standards, and therefore, HUD has moved to a grant-based accounting system. Under grant-based accounting, commitment and disbursement of funds will be made against specific grant years. The CDBG, HOME and ESG Programs are transitioning to grant-based accounting.

The Housing and Community Development Office has completed a comprehensive review of our HOME program funding to ensure that we are in compliance with the new grant-based accounting system. As a result of this review, we have determined that there is approximately $320,000 in previously budgeted entitlement and program income funding that has not been allocated to a specific project. In order to meet HOME Program commitment regulations, these funds must be committed to a project prior to July 31, 2017 or the funds will be deobligated and returned to HUD.

Mary Davis
Division Director, Housing & Community Development Division

In order to meet this July 31 deadline, staff is proposing to issue a Supplemental HOME Funds Application to solicit projects that can be ready to proceed to funding commitment within 60 days of approval. This application will be released immediately and will solicit projects with an emphasis on readiness to proceed.

A second application for the proposed FY 2017-2018 funding for affordable housing and CHDO development in the amount of $327,145, will be issued in early spring following the City Council's approval of the 2017-2018 HCD budget.

Application Criteria

Eligible developments include new construction of rental housing, the conversion of non-residential property to housing and the rehabilitation of existing rental units that creates or maintains affordable units. "Housing First" developments will be identified as a priority.

Developments should promote the efficient use of land, a location proximate to shopping, work places and community facilities and incorporate high standards of energy efficiency, "green" design criteria and should not require a contract or conditional zone.

Affordability restrictions for rental housing include units affordable to households at or below 60% of the area median income for a minimum period of 90 years.

Projects receiving funding must set aside 10% of the units in the project for individuals or families residing in a Portland shelter.

Recommendations, along with all proposals and scoring information, will be forwarded to the Housing Committee for review and funding recommendation to the full City Council for final funding approval.

Staff Recommendation

Staff is seeking Committee approval of the application criteria for the 2017-2018 Affordable Housing Development HOME Funds Application and the 2017 Supplemental HOME Funds Application.

City of Portland

Affordable Housing Development

HOME Funds Application

July 1, 2017 – June 30, 2018

Applications will be accepted until all budgeted funds have been allocated.

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I. GENERAL INFORMATION

A. Availability of Funding

The City of Portland has made the development of affordable rental housing a priority for the use of its federal housing funds, as is identified in the City of Portland's 2016-2020 HUD 5-year Consolidated Plan. To accomplish this priority, the City of Portland will accept applications for the development of affordable rental housing in the City of Portland.

Certified Community Housing Development Organizations (CHDO's) or organizations eligible for CHDO certification are strongly encouraged to apply for these funds. The HUD definition of a CHDO organization is attached as Exhibit #1 entitled Definition of a Community Housing Development Organization (CHDO).

The City of Portland's Division of Housing and Community Development uses an application process to ensure that public funds are utilized for maximum public benefit while accomplishing specific objectives and providing fair access to all applicants. Applications will be accepted until all budgeted funds are allocated. The City of Portland reserves the right to partially fund application requests or deny any application that does not meet the application criteria.

The City of Portland is making available $327,145 in FY 2017-2018 HUD Home Investment Partnership Program (HOME) funds (which includes $71,191 from a mandatory set-aside for CHDO organizations or organizations eligible for CHDO certification).

Total Funding Available: $327,145.

B. General Guidelines

Rental developments shall provide units to households earning up to 60% of area median income and meet the restrictions of the HUD HOME program. Mixed income projects are eligible and encouraged, however not all units in a mixed income project will be eligible for HOME funding. Projects with mixed unit types including efficiencies, one, two and three bedroom units are eligible. The minimum term of affordability is 90 years, to be secured by a land use restriction covenant in the deed. The requirements of this application meet or exceed the minimum program requirements for HOME funding.

This application outlines the selection criteria which all projects applying for these funds must meet, as well as scoring factors which will be used by the City of Portland to evaluate the applications.

C. Federal Requirements

Environmental Review Requirements

All projects are subject to environmental review, clearance and release of funds by the U.S. Department of Housing and Urban Development. Once an application has been submitted, the applicant cannot take any “choice limiting actions” prior to receiving notification from the City that the environmental review process, including historic preservation review and clearance, has been completed and a release of funds has been received.

Federal Labor Standards

As may be applicable, applicants must ensure that they and all subcontractors meet requirements for federal prevailing wage rates specified under the Davis-Bacon Act. The Act requires all laborers and mechanics employed by contractors or subcontractors in the performance of construction work over $2,000, financed in whole or in part with assistance received under HUD programs, shall be paid the prevailing wage as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-5). Projects that include 12 or more HOME-assisted units must meet the requirements of the Davis-Bacon Act.

Section 3

All HOME projects must comply with Section 3 of the Housing and Urban Development Act of 1968. Contractors and subcontractors performing work on Section 3-covered projects must provide, to the greatest extent feasible, opportunities for the employment of low- and very low-income residents of the local community and the businesses that substantially employ these persons.

Minority and Women Owned Business (MWBE) Participation

All HOME projects must complete, track and report on outreach and contracts given to women- and minority-owned businesses to ensure their inclusion, to the maximum extent possible, in the procurement of property and services. Applicants are encouraged to utilize firms certified as a Minority Business Enterprise or Woman’s Business Enterprise as part of the development team. The development team members include the developer, architect, attorney, general contractor and management agent.

Lead-Based Paint

All residential rehabilitation and construction activities must comply with 24 CFR Part 35 and Section 401(b) of the Lead-Based Paint Poisoning Prevention Act.

Access to the Internet

All HUD funded new construction and substantial rehabilitation projects of multifamily rental housing will be required to provide the installation of broadband internet access to its residents to help narrow the digital divide for households in need.

Fair Housing and Equal Opportunity

The Fair Housing Act prohibits discrimination in all housing-related transactions based on race, color, national origin, religion, sex, disability, age or familial status is prohibited. It also includes minimum accessibility design requirements for all new construction and rehabilitation projects and requires that reasonable accommodations be made in rules, policies, practices, services and reasonable structural modifications. Section 504 of the Rehabilitation Act of 1973 prohibits discrimination based on disability and requires that everyone have equal opportunity to obtain housing built with federal funds.

D. Goals for the Distribution of HOME Funds

The goal for the distribution of HOME funds is to promote and finance the development of affordable rental housing consistent with the City of Portland's Comprehensive Plan and the HUD Five-Year Consolidated Plan. The City of Portland seeks development projects with a high standard of quality, design, and livability. Projects should not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered). Developments should promote efficient use of land, locations proximate to shopping, work places and community facilities. They should also incorporate high standards of energy efficiency and "green" design criteria.

II. SCOPE OF SERVICES

A. General Specifications

All applications submitted for this funding must meet the following selection criteria to be considered further in the review process.

Eligible Projects

1) Projects must create rental housing units which promote economic diversity in the neighborhood in which the development is located. New construction, conversion of non-residential property to housing and rehabilitation of existing rental units that creates or maintains affordable units is eligible.

2) All projects must provide rental units to households earning up to 60% of area median income and meet the income and rent restrictions of the HOME Program.

3) *Housing First* developments are a priority under this application.

4) Single Room Occupancy (SRO) and other supportive housing projects specifically for special needs populations are eligible under this application.

5) Projects receiving funding through this application must include a written occupancy policy that prohibits smoking in the units and the interior common areas of the project in addition to including a non-smoking clause in the lease for every household and making educational materials on tobacco treatment programs available to residents through the residence service coordinator, occupancy specialist, or property manager, such as the phone number for the statewide Maine Tobacco HelpLine.

   Projects receiving funding through this application must set aside 10% of the units in the project for individuals or families residing in a Portland shelter. The City's Health and Human Services Department would be responsible for providing referrals, providing or coordinating supportive services and financial resources to assist with monthly rent payments. A Memorandum of Understanding between the City and the Developer would document the services and expectations. At the time of loan closing or prior to disbursement of the City's funding, the requirements would be secured by a Declaration of Covenants which will be recorded in the Cumberland County Registry of Deeds.

B. Site Information and Criteria

1) Site Control: Land or buildings proposed as part of a project under this application must have site control at the time the application is submitted in the form of title, purchase and sale agreement, option, long-term lease for a minimum of 90 years, or other acceptable method. At a minimum, site control must extend through November 1, 2017.

2) Local Approvals: Local land use approval is not required prior to submittal of the application. The applicant must submit an analysis of the project in relation to local land use regulations and site feasibility.

3) Applications must not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered).

C. Financial Feasibility

1) Financial applications must be developed in accordance with the underwriting guidelines of the primary funding source, including adequate cash flow and debt coverage ratio.

2) Use of HOME Funds: All projects will be reviewed for the proposed use of HOME funds compared to other resources. Applicants must describe the proposed mortgage and security position for the City of Portland's funding.

D. Market Demand

Applicants must provide an analysis and discussion of market demand justifying the need for the proposed project.

E. Applicant Capacity

All applicants must demonstrate capacity to develop, own and manage the proposed project. All applications must provide evidence of a development team with the capacity to successfully complete the project including;

1) Key staff members assigned to the project with the abilities and experience to successfully complete the project within the proposed timeframe.

2) An architect, general contractor and professionals on the team with the experience and capacity to complete the project.

3) A management team with qualified personnel and the capacity and experience to operate, manage and maintain the affordable rental property of size and mix of the proposed project.

4) Qualified staff with the capacity to perform ongoing property ownership requirements such as budgeting, tax accounting and oversight of management and maintenance.

5) A portfolio of current affordable housing projects that are financially sound and meeting their established goals.

6) Support Services: Applications containing rental units targeted to special needs populations must include commitments for support services to be provided to the residents.

F. Term of Affordability

All projects must have a minimum affordability period of 90 years, secured by a land use restriction covenant in the deed.

G. Design Compatibility

Projects must be designed to contribute to the character of their neighborhood and adhere to the following general guidelines.

Project designs should:

1) Comply with the City's Green Building Ordinance (Chapter 6, Article VII, Sec. 6-165) (http://www.portlandmaine.gov/DocumentCenter/Home/View/1070). Please note that the Green Building Ordinance may be more restrictive than the requirements in Maine Housing's Quality Standards and Procedure Manual.

2) Establish a building form, scale, massing and rhythm appropriate for the surrounding neighborhood.

3) Provide a quality design that, where possible, reinforces the public realm of open space, sidewalks and streets through appropriately scaled entries that orient to the street instead of interior blocks or parking lots, and incorporate porches, fenestration, landscaping, and architectural details.

4) Meet the accessibility requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. Provide for universal accessibility to the extent possible.

5) Provide visual and acoustical privacy between units while maximizing natural light and ventilation within units.

H. Timeframe

The applicant must describe projected dates by which commitments will be obtained; the closing will take place, construction start-up, substantial completion, final completion and occupancy. Timeframes must be realistic and achievable. All funded projects must be able to start construction within 12 months of notice of award.

III. APPLICATION REQUIREMENTS

Complete responses to this application, should include one (1) original printed version of the application with original signatures **plus** one (1) full electronic version, submitted via email, USB drive or CD. Printed version must be signed by an officer or employee having authority to bind the organization.

Applications must be submitted electronically and in paper form to:

City of Portland: Housing and Community Development Division
Attention: Mary Davis
389 Congress Street, Room 312
Portland, ME 04101
mpd@portlandmaine.gov
207-874-8711

Applicants who require a conditional commitment of HOME funds as part of other financing applications, such as the Low Income Housing Tax Credit Program, must apply no later than June 9, 2017. The City of Portland will consider applications received after June 9, 2017 if funds are available. Applicants applying after June 10 should contact the City of Portland to confirm the availability of funds prior to submitting an application.

A. Project Summary

A brief description of the project, no longer than two pages, to include the number and type of units, tenants or owners to be served, special features, the impact on the neighborhood and other ways the application meets the selection criteria and preference guidelines.

Photographs and maps of the site and area are required.

Note: All respondents should investigate legal and zoning requirements for proposed projects prior to submission of application.

B. All Applications Must Provide The Following:

1) Evidence of site control

2) Conceptual architectural and site plans

3) A project schedule showing critical path events and their timeframe for completion;

4) Map showing location of site

5) Corporation/partnership articles and by-laws

6) Organization's DUNS Number

7) Most recent audit or federal tax returns for the last three years, and financial statements for the last two years

8) Documentation demonstrating certification or eligibility to obtain certification as a CHDO (if seeking the CHDO funds)

9) A brief development team summary, including:

- The type of organization/ownership structure
- The names of Board of Directors, Corporate Officers, or Owners, as appropriate
- Name, title and relevant experience of individuals involved in managing the business entity and this proposed project. A copy of the 501(3)(c) exemption certification
- Brief description of similar projects completed
- A list of all projects currently in development with status and projected timeframe

10) A sources and uses funding statement

11) Preliminary operating budget identifying rents and expenses for the first year

12) A 15-year operating pro forma for the project with inflators of 2% on income and 3% on expenses

13) Debt service coverage ratio over the 15-year operating pro forma timeline

14) Loan to value ratio

15) Projected prefunded project reserves and annual contributions to reserves

16) Evidence of financial commitments, or explanation of the ability and timing to secure those commitments. A statement describing the applicant's capacity for and experience in raising the type of capital needed to finance projects of this size and type.

17) Projects serving special needs populations must provide evidence of commitments of support services, and a description of the service provider and funding cycle for those services.

18) Applicant must include a management plan for the long-term management of the project including manager's experience and capacity.

19) An analysis and discussion of market demand justifying the need for the proposed project.

IV. SELECTION PROCESS

Selection criteria will be used in reviewing and scoring the applications.

A. Point System for Evaluating and Scoring Applications (Max 100)

Proposed use of funds to achieve the City of Portland's goals and address demonstrated need. 30 points

Maximum points will be awarded for those applications that demonstrate sufficient market demand, create housing options which promote economic diversity in the neighborhood in which the development is located, leverage funds efficiently, and include a policy prohibiting smoking.

Financial feasibility, including cost, development budget operating pro forma and the provision of secured and leverage funds. 25 points

Maximum points will be awarded for those applications that include a complete set of financial documents to support the financing request, contain a realistic set of sources and uses development budgets and a pro forma operating budget, include sufficient reserves for operations and maintenance, including pre-funded reserves, and long-term financial sustainability of the project is highly likely.

Applicant's ability to complete project, including development team experience, capacity, project readiness and timeframe for completion. 25 points

Maximum points will be awarded for those applications that demonstrate the readiness of the project to proceed, a development team with a successful track record in projects of similar size, scale, type and complexity to the proposed project and the capacity to fulfill their responsibilities..

Impact on surrounding neighborhood, including design compatibility and environmental issues. 20 points

Maximum points will be awarded for those applications where site selection is appropriate for use, the design is consistent with neighborhood design characteristics, amenities and unit design are well thought out and appropriate, where no environmental issues have been identified and meet the requirements of the City of Portland's Green Building Ordinance.

B. Evaluation and Selection Process and Timeframe

Applications will be reviewed by an evaluation team that will include City of Portland staff. The following process will be used:

1) All applications will be reviewed for completeness. Only complete applications will be reviewed under the scoring factors in order to recommend the most qualified applications based on the information submitted. The application review team may confer with the applicants and/or third parties to clarify or verify information and request additional information.

2) Recommendations, along with all applications and scoring information, will be forwarded to the City Council's Housing Committee for review and approval. Their recommendations will be forwarded to the City Council for final review and approval.

3) Applicants will be kept informed throughout the review process, specifically in regard to recommendations and funding levels.

4) The evaluation and review process should be substantially complete within 30 days of receipt of complete application. Applicants will be notified of their application status as soon as possible.

5) Based on City Council approval, successful applicants will receive a letter of funds reservation. A letter of funds reservation is not a commitment letter but an agreement to set aside budgeted funds for up to six months, to allow the project sponsor to proceed with securing other commitments.

V. Instructions and Other Information

The City of Portland reserves the right, at its sole discretion, to award all, a portion, or none of the available funding from this application, as well as reject any and all applications for city funding, based on the quality and merits of the applications received, or when it is determined to be in the public interest to do so. Furthermore, the City of Portland may extend deadlines and timeframes, as needed.

Confidentiality: Applications received by the City of Portland shall become a matter of public record subject to public inspection, except to the extent, which an applicant designates in writing, proprietary data to be confidential and submits that data under separate cover, such information may be held from public inspection, as provided in Maine law: 5 MRSA Sections 13119-A and 13119-B.

Compliance with Federal Law: The selected applicant will be required to certify that the development and management of the proposed housing will be in compliance with all applicable laws, executive orders, OMB Circulars and federal regulations, including but not limited to: Fair Housing Act, Equal Opportunity and Non-discrimination, National Environmental Policy Act (NEPA), the Uniform Relocation Assistance and Real Property Acquisition Policies Act, the Davis-Bacon Act, the Lead-Based

Paint Poisoning Prevention Act, Flood Disaster Protection Act, Conflict of Interest, Contractor Debarment and Cost Principles.

All applications must meet the rules and regulations of the HOME Program as noted in 24 CFR Part 92, as amended, and the requirements of the Consolidated and Further Continuing Appropriations Act of 2012 and 2013. Any costs incurred by the City to meet HOME Program regulations, such as newspaper advertisements, underwriting fees, etc., shall be passed along to the selected applicant.

VI. Equal Employment Opportunities

Vendor shall comply fully with the Nondiscrimination and Equal Opportunity Provisions of the Workforce Investment Act of 1998, as amended (WIA, 29 CFR part 37); the Nontraditional Employment for Women Act of 1991; title VI of the Civil Rights Act of 1964, as amended; section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR part 37.

VII. Reservation of Rights

The City of Portland reserve the right, at its sole discretion, to award all, a portion, or none of the available funding from this application, as well as reject any and all applications based on the quality and merits of the applications received, or when it is determined to be in the public interest to do so. Furthermore, the City of Portland may extend deadlines and timeframes, as needed.

The selection of a proposal through this application process does not guarantee any other City approvals. All projects will be subject to the City's standard development review process. Similarly, *selection of a proposal through this application process does not signify that the City will not request modifications to the proposed development plan or negotiate additional details, covenants or terms that are not specifically outlined in this application*.

The City of Portland reserves the right to substantiate any proposers' qualifications, capability to perform, availability, past performance records and to verify that the applicant is current in its financial obligations to the City of Portland.

All materials and equipment used as well as all methods of installation shall comply at a minimum with any and all Federal, OSHA, State and/or local codes, including applicable municipal ordinances and regulations.

The successful applicant shall agree to defend, indemnify and save the City of Portland harmless from all losses, costs or damages caused by its acts or those of its agents, and, before signing the contract, will produce evidence satisfactory to the City of Portland's Corporation Counsel of coverage for General Public and Automobile Liability insurance in amounts not less than $400,000 per person, for bodily injury, death and property damage, protecting the contractor and the City of Portland, and naming the City of Portland as an additional insured from such claims, and shall also procure Workers' Compensation insurance.

Pursuant to City of Portland procurement policy and ordinance, the City of Portland is unable to contract with businesses or individuals who are delinquent in their financial obligations to the City of Portland. These obligations may include but are not limited to real estate and personal property taxes and sewer user fees. Applicants who are delinquent in their financial obligations to the City of Portland must do one of the following: bring the obligation current, negotiate a payment plan with the City of Portland's Treasury office, or agree to an offset which shall be established by the contract which shall be issued to the successful applicant.

The City of Portland, Maine, reserves the right to waive any informalities in applications, to accept any application or portion thereof, and, to reject any and all applications, should it be in the best in the best interest of the City of Portland to do so.

It is the custom of the City of Portland, Maine to pay its bills 30 days following the receipt of correct invoices for all items covered by the approved application.

VIII. Appendices

Exhibit #1. HUD definition of a Community Housing Development Organization (CHDO)

IX. APPLICATION SIGNATURE PAGE

THIS PAGE MUST BE INCLUDED

The UNDERSIGNED hereby declares that he/she or they are the only person(s), firm or corporation interested in this application as principal, that it is made without any connection with any other person(s), firm or corporation submitting a application for the same.

The UNDERSIGNED hereby declares that they have read and understand all conditions as outlined in the invitation for bids, and that their application is made in accordance with same.

The UNDERSIGNED hereby declares that any person(s) employed by the City of Portland, Maine, who has direct or indirect personal or financial interest in this application or in any portion of the profits that may be derived there from, has been identified and the interest disclosed by separate attachment. (Please include in your disclosure any interest which you know of. An example of a direct interest would be a City of Portland employee who would be paid to perform services under this application. An example of indirect interest would be a City of Portland employee who is related to any officers, employees, principal or shareholders of your firm or to you. If in doubt as to status or interest, please disclose to the extent known).

The proposer acknowledges the receipt of Addenda numbered ______________________________
If Applicable

COMPANY NAME: ____
(Individual, Partnership, Corporation, Joint Venture)

AUTHORIZED SIGNATURE: ______________________________ DATE: ______________
(Officer, Authorized Individual or Owner)

PRINT NAME & TITLE: ____

ADDRESS: ____

____

TELEPHONE: ______________________________ FAX: __________________________

E-MAIL: _________________________FEDERAL TAX ID NUMBER: ___________________

DUNS NUMBER: _________________________________
NOTE: All bids must bear the handwritten signature of a duly authorized member or employee of the organization making the bid. This sheet must be signed and returned with the application package.

X. EXHIBIT #1 – DEFINITION OF A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION

1. Is a private nonprofit organization under State or local laws;

2. Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;

3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:

   i. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
   ii. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for profit entity may not appoint the remaining two-thirds of the board members; and
   iii. The community housing development organization must be free to contract for goods and services from vendors of its own choosing;

4. Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986;

5. Does not include a public body (including the participating jurisdiction). An organization that is State or locally chartered may qualify as a community housing development organization; however, the State or local government may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of the participating jurisdiction or State recipient. Board members appointed by the State or local government may not appoint the remaining two thirds of the board members;

6. Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems;"

7. Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or bylaws;

8. Maintains accountability to low-income community residents by:

   i. Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and

ii. Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;

9. Has a demonstrated capacity for carrying out activities assisted with HOME funds. An organization may satisfy this requirement by hiring experienced key staff members who have successfully completed similar projects, or a consultant with the same type of experience and a plan to train appropriate key staff members of the organization; and

10. Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.

City of Portland

Affordable Housing Development & Rehabilitation

Supplemental HOME Funds Application

July 1, 2016 – June 30, 2017

Applications will be accepted until all budgeted funds have been allocated.

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I. GENERAL INFORMATION

A. Availability of Funding

The City of Portland has made the development, maintenance and rehabilitation of affordable rental housing a priority for the use of its federal housing funds, as is identified in the City of Portland's 2016-2020 HUD 5-year Consolidated Plan. To accomplish this priority, the City of Portland will accept applications for the development, maintenance, and rehabilitation of affordable rental housing in the City of Portland.

The City of Portland's Division of Housing and Community Development uses an application process to ensure that public funds are utilized for maximum public benefit while accomplishing specific objectives and providing fair access to all applicants. Applications will be accepted until all budgeted funds are allocated. The City of Portland reserves the right to partially fund application requests or deny any application that does not meet the application criteria.

The City of Portland is making available $320,000 in supplemental HUD Home Investment Partnership Program (HOME) funds.

Total Funding Available: $320,000.

B. General Guidelines

Rental developments shall provide units to households earning up to 60% of area median income and meet the restrictions of the HUD HOME program. Mixed income projects are eligible and encouraged, however not all units in a mixed income project will be eligible for HOME funding. Projects with mixed unit types including efficiencies, one, two and three bedroom units are eligible. The minimum term of affordability will be determined based on HOME Program regulations and City of Portland policy. These restrictions will be secured by a land use restriction covenant in the deed. The requirements of this application meet or exceed the minimum program requirements for HOME funding.

This application outlines the selection criteria which all projects applying for these funds must meet, as well as scoring factors which will be used by the City of Portland to evaluate the applications.

C. Federal Requirements

Environmental Review Requirements

All projects are subject to environmental review, clearance and release of funds by the U.S. Department of Housing and Urban Development. Once an application has been submitted, the applicant cannot take any "choice limiting actions" prior to receiving notification from the City that the environmental review process, including historic preservation review and clearance, has been completed and a release of funds has been received.

Federal Labor Standards

As may be applicable, applicants must ensure that they and all subcontractors meet requirements for federal prevailing wage rates specified under the Davis-Bacon Act. The Act requires all laborers and mechanics employed by contractors or subcontractors in the performance of construction work over $2,000, financed in whole or in part with assistance received under HUD programs, shall be paid the prevailing wage as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-5). Projects that include 12 or more HOME-assisted units must meet the requirements of the Davis-Bacon Act.

Section 3

All HOME projects must comply with Section 3 of the Housing and Urban Development Act of 1968. Contractors and subcontractors performing work on Section 3-covered projects must provide, to the greatest extent feasible, opportunities for the employment of low- and very low-income residents of the local community and the businesses that substantially employ these persons.

Minority and Women Owned Business (MWBE) Participation

All HOME projects must complete, track and report on outreach and contracts given to women- and minority-owned businesses to ensure their inclusion, to the maximum extent possible, in the procurement of property and services. Applicants are encouraged to utilize firms certified as a Minority Business Enterprise or Woman's Business Enterprise as part of the development team. The development team members include the developer, architect, attorney, general contractor and management agent.

Lead-Based Paint

All residential rehabilitation and construction activities must comply with 24 CFR Part 35 and Section 401(b) of the Lead-Based Paint Poisoning Prevention Act.

Access to the Internet

All HUD funded new construction and substantial rehabilitation projects of multifamily rental housing will be required to provide the installation of broadband internet access to its residents to help narrow the digital divide for households in need.

Fair Housing and Equal Opportunity

The Fair Housing Act prohibits discrimination in all housing-related transactions based on race, color, national origin, religion, sex, disability, age or familial status is prohibited. It also includes minimum accessibility design requirements for all new construction and rehabilitation projects and requires that reasonable accommodations be made in rules, policies, practices, services and reasonable structural modifications. Section 504 of the Rehabilitation Act of 1973 prohibits discrimination based on disability and requires that everyone have equal opportunity to obtain housing built with federal funds.

D. Goals for the Distribution of HOME Funds

The goal for the distribution of HOME funds is to promote and finance the development, maintenance, and rehabilitation of affordable rental housing consistent with the City of Portland's Comprehensive

Plan. The City of Portland seeks projects with a high standard of quality, design, and livability. Projects should not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered). Developments should promote efficient use of land, locations proximate to shopping, work places and community facilities. They should also incorporate high standards of energy efficiency and "green" design criteria.

II. SCOPE OF SERVICES

A. General Specifications

All applications submitted for this funding must meet the following selection criteria to be considered further in the review process.

Eligible Projects

1) Projects must create, maintain, or rehab rental housing units which promote economic diversity in the neighborhood in which the development is located. New construction, conversion of non-residential property to housing and rehabilitation of existing rental units that creates or maintains affordable units are eligible.

2) All projects must provide rental units to households earning up to 60% of area median income and meet the income and rent restrictions of the HOME Program.

3) Single Room Occupancy (SRO) and other supportive housing projects specifically for special needs populations are eligible under this application.

4) Projects receiving funding through this application must include a written occupancy policy that prohibits smoking in the units and the interior common areas of the project in addition to including a non-smoking clause in the lease for every household and making educational materials on tobacco treatment programs available to residents through the residence service coordinator, occupancy specialist, or property manager, such as the phone number for the statewide Maine Tobacco HelpLine.

   Projects receiving funding through this application must set aside 10% of the units in the project for individuals or families residing in a Portland shelter. The City's Health and Human Services Department would be responsible for providing referrals, providing or coordinating supportive services and financial resources to assist with monthly rent payments. A Memorandum of Understanding between the City and the Developer would document the services and expectations. At the time of loan closing or prior to disbursement of the City's funding, the requirements would be secured by a Declaration of Covenants which will be recorded in the Cumberland County Registry of Deeds.

B. Site Information and Criteria

1) Site Control: Land or buildings proposed as part of a project under this application must have site control at the time the application is submitted in the form of title, purchase and sale agreement, option, long-term lease for a minimum of 90 years, or other acceptable method. At a minimum, site control must extend through November 1, 2017.

2) Local Approvals: Local land use approval is not required prior to submittal of the application. The applicant must submit an analysis of the project in relation to local land use regulations and site feasibility.

3) Applications must not require a contract or conditional zone (although other rezoning consistent with the City's Comprehensive Plan may be considered).

C. Financial Feasibility

1) Financial applications must be developed in accordance with the underwriting guidelines of the primary funding source, including adequate cash flow and debt coverage ratio.

2) Use of HOME Funds: All projects will be reviewed for the proposed use of HOME funds compared to other resources. Applicants must describe the proposed mortgage and security position for the City of Portland's funding.

D. Market Demand

Applicants must provide an analysis and discussion of market demand justifying the need for the proposed project.

E. Applicant Capacity

All applicants must demonstrate capacity to develop, own and manage the proposed project. All applications must provide evidence of a development team with the capacity to successfully complete the project including;

1) Key staff members assigned to the project with the abilities and experience to successfully complete the project within the proposed timeframe.

2) An architect, general contractor and professionals on the team with the experience and capacity to complete the project.

3) A management team with qualified personnel and the capacity and experience to operate, manage and maintain the affordable rental property of size and mix of the proposed project.

4) Qualified staff with the capacity to perform ongoing property ownership requirements such as budgeting, tax accounting and oversight of management and maintenance.

5) A portfolio of current affordable housing projects that are financially sound and meeting their established goals.

6) Support Services: Applications containing rental units targeted to special needs populations must include commitments for support services to be provided to the residents.

F. Term of Affordability

The term of affordability will be determined based on HOME Program regulations and City of Portland policy. These restrictions will be secured by a land use restriction covenant in the deed.

G. Design Compatibility

Projects must be designed to contribute to the character of their neighborhood and adhere to the following general guidelines.

Project designs should:

1) Comply with the City's Green Building Ordinance (Chapter 6, Article VII, Sec. 6-165) (http://www.portlandmaine.gov/DocumentCenter/Home/View/1070). Please note that the Green Building Ordinance may be more restrictive than the requirements in Maine Housing's Quality Standards and Procedure Manual.

2) Establish a building form, scale, massing and rhythm appropriate for the surrounding neighborhood.

3) Provide a quality design that, where possible, reinforces the public realm of open space, sidewalks and streets through appropriately scaled entries that orient to the street instead of interior blocks or parking lots, and incorporate porches, fenestration, landscaping, and architectural details.

4) Meet the accessibility requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. Provide for universal accessibility to the extent possible.

5) Provide visual and acoustical privacy between units while maximizing natural light and ventilation within units.

H. Timeframe & Project Readiness

The applicant must describe projected dates by which commitments will be obtained; the closing will take place, construction start-up, substantial completion, final completion and occupancy. Timeframes must be realistic and achievable. All applicants must have projects that will be able to receive fund commitments within 60 days of approvals. All funded projects must be able to start construction within 12 months of notice of award.

III. APPLICATION REQUIREMENTS

Complete responses to this application, should include one (1) original printed version of the application with original signatures **plus** one (1) full electronic version, submitted via email, USB drive or CD. Printed version must be signed by an officer or employee having authority to bind the organization.

Applications must be submitted electronically and in paper form to:

City of Portland: Housing and Community Development Division
Attention: Mary Davis
389 Congress Street, Room 312
Portland, ME 04101
mpd@portlandmaine.gov
207-874-8711

A. Project Summary

A brief description of the project, no longer than two pages, to include the number and type of units, tenants or owners to be served, special features, the impact on the neighborhood and other ways the application meets the selection criteria and preference guidelines.

Photographs and maps of the site and area are required.

Note: All respondents should investigate legal and zoning requirements for proposed projects prior to submission of application.

B. All Applications Must Provide The Following:

1) Evidence of site control

2) Conceptual architectural and site plans

3) A project schedule showing critical path events and their timeframe for completion;

4) Map showing location of site

5) Corporation/partnership articles and by-laws

6) Organization’s DUNS Number

7) Most recent audit or federal tax returns for the last three years, and financial statements for the last two years

8) Documentation demonstrating certification or eligibility to obtain certification as a CHDO (if seeking the CHDO funds)

9) A brief development team summary, including:

- The type of organization/ownership structure
- The names of Board of Directors, Corporate Officers, or Owners, as appropriate
- Name, title and relevant experience of individuals involved in managing the business entity and this proposed project. A copy of the 501(3)(c) exemption certification
- Brief description of similar projects completed
- A list of all projects currently in development with status and projected timeframe

10) A sources and uses funding statement

11) Preliminary operating budget identifying rents and expenses for the first year

12) A 15-year operating pro forma for the project with inflators of 2% on income and 3% on expenses

13) Debt service coverage ratio over the 15-year operating pro forma timeline

14) Loan to value ratio

15) Projected prefunded project reserves and annual contributions to reserves

16) Evidence of financial commitments, or explanation of the ability and timing to secure those commitments. A statement describing the applicant's capacity for and experience in raising the type of capital needed to finance projects of this size and type.

17) Projects serving special needs populations must provide evidence of commitments of support services, and a description of the service provider and funding cycle for those services.

18) Applicant must include a management plan for the long-term management of the project including manager’s experience and capacity.

19) An analysis and discussion of market demand justifying the need for the proposed project.

IV. SELECTION PROCESS

Selection criteria will be used in reviewing and scoring the applications.

A. Point System for Evaluating and Scoring Applications (Max 100)

Proposed use of funds to achieve the City of Portland's goals and address demonstrated need. 20 points

Maximum points will be awarded for those applications that demonstrate sufficient market demand, create housing options which promote economic diversity in the neighborhood in which the development is located, leverage funds efficiently, and include a policy prohibiting smoking.

Financial feasibility, including cost, development budget operating pro forma and the provision of secured and leverage funds. 20 points

Maximum points will be awarded for those applications that include a complete set of financial documents to support the financing request, contain a realistic set of sources and uses development budgets and a pro forma operating budget, include sufficient reserves for operations and maintenance, including pre-funded reserves, and long-term financial sustainability of the project is highly likely.

Applicant's ability to complete project, including development team experience, capacity, project readiness and timeframe for completion. 50 points

Maximum points will be awarded for those applications that demonstrate the readiness of the project to proceed, a development team with a successful track record in projects of similar size, scale, type and complexity to the proposed project and the capacity to fulfill their responsibilities.

Impact on surrounding neighborhood, including design compatibility and environmental issues. 10 points

Maximum points will be awarded for those applications where site selection is appropriate for use, the design is consistent with neighborhood design characteristics, amenities and unit design are well thought out and appropriate, where no environmental issues have been identified and meet the requirements of the City of Portland's Green Building Ordinance.

B. Evaluation and Selection Process and Timeframe

Applications will be reviewed by an evaluation team that will include City of Portland staff. The following process will be used:

1) All applications will be reviewed for completeness. Only complete applications will be reviewed under the scoring factors in order to recommend the most qualified applications based on the information submitted. The application review team may confer with the applicants and/or third parties to clarify or verify information and request additional information.

2) Recommendations, along with all applications and scoring information, will be forwarded to the City Council's Housing Committee for review and approval. Their recommendations will be forwarded to the City Council for final review and approval.

3) Applicants will be kept informed throughout the review process, specifically in regard to recommendations and funding levels.

4) The evaluation and review process should be substantially complete within 30 days of receipt of complete application. Applicants will be notified of their application status as soon as possible.

5) Based on City Council approval, successful applicants will receive a letter of funds reservation. A letter of funds reservation is not a commitment letter but an agreement to set aside budgeted funds for up to six months, to allow the project sponsor to proceed with securing other commitments.

V. Instructions and Other Information

The City of Portland reserves the right, at its sole discretion, to award all, a portion, or none of the available funding from this application, as well as reject any and all applications for city funding, based on the quality and merits of the applications received, or when it is determined to be in the public interest to do so. Furthermore, the City of Portland may extend deadlines and timeframes, as needed.

Confidentiality: Applications received by the City of Portland shall become a matter of public record subject to public inspection, except to the extent, which an applicant designates in writing, proprietary data to be confidential and submits that data under separate cover, such information may be held from public inspection, as provided in Maine law: 5 MRSA Sections 13119-A and 13119-B.

Compliance with Federal Law: The selected applicant will be required to certify that the development and management of the proposed housing will be in compliance with all applicable laws, executive orders, OMB Circulars and federal regulations, including but not limited to: Fair Housing Act, Equal Opportunity and Non-discrimination, National Environmental Policy Act (NEPA), the Uniform Relocation Assistance and Real Property Acquisition Policies Act, the Davis-Bacon Act, the Lead-Based Paint Poisoning Prevention Act, Flood Disaster Protection Act, Conflict of Interest, Contractor Debarment and Cost Principles.

All applications must meet the rules and regulations of the HOME Program as noted in 24 CFR Part 92, as amended, and the requirements of the Consolidated and Further Continuing Appropriations Act of 2012 and 2013. If any costs are incurred by the City to place advertisements in newspapers as part of any program requirements, these costs shall be passed along to the selected applicant.

VI. Equal Employment Opportunities

Vendor shall comply fully with the Nondiscrimination and Equal Opportunity Provisions of the Workforce Investment Act of 1998, as amended (WIA, 29 CFR part 37); the Nontraditional Employment for Women Act of 1991; title VI of the Civil Rights Act of 1964, as amended; section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR part 37.

VII. Reservation of Rights

The City of Portland reserve the right, at its sole discretion, to award all, a portion, or none of the available funding from this application, as well as reject any and all applications based on the quality and merits of the applications received, or when it is determined to be in the public interest to do so. Furthermore, the City of Portland may extend deadlines and timeframes, as needed.

The selection of a proposal through this application process does not guarantee any other City approvals. All projects will be subject to the City's standard development review process. Similarly, selection of a proposal through this application process does not signify that the City will not equest modifications to the proposed development plan or negotiate additional details, covenants or terms that are not specifically outlined in this application.

The City of Portland reserves the right to substantiate any proposers' qualifications, capability to perform, availability, past performance records and to verify that the applicant is current in its financial obligations to the City of Portland.

All materials and equipment used as well as all methods of installation shall comply at a minimum with any and all Federal, OSHA, State and/or local codes, including applicable municipal ordinances and regulations.

The successful applicant shall agree to defend, indemnify and save the City of Portland harmless from all losses, costs or damages caused by its acts or those of its agents, and, before signing the contract, will produce evidence satisfactory to the City of Portland's Corporation Counsel of coverage for General Public and Automobile Liability insurance in amounts not less than $400,000 per person, for bodily injury, death and property damage, protecting the contractor and the City of Portland, and naming the City of Portland as an additional insured from such claims, and shall also procure Workers' Compensation insurance.

Pursuant to City of Portland procurement policy and ordinance, the City of Portland is unable to contract with businesses or individuals who are delinquent in their financial obligations to the City of Portland. These obligations may include but are not limited to real estate and personal property taxes and sewer user fees. Applicants who are delinquent in their financial obligations to the City of Portland must do one of the following: bring the obligation current, negotiate a payment plan with the City of Portland's Treasury office, or agree to an offset which shall be established by the contract which shall be issued to the successful applicant.

The City of Portland, Maine, reserves the right to waive any informalities in applications, to accept any application or portion thereof, and, to reject any and all applications, should it be in the best in the best interest of the City of Portland to do so.

It is the custom of the City of Portland, Maine to pay its bills 30 days following the receipt of correct invoices for all items covered by the approved application.

VIII. Appendices

Exhibit #1. HUD definition of a Community Housing Development Organization (CHDO)

IX. APPLICATION SIGNATURE PAGE

THIS PAGE MUST BE INCLUDED

The UNDERSIGNED hereby declares that he/she or they are the only person(s), firm or corporation interested in this application as principal, that it is made without any connection with any other person(s), firm or corporation submitting a application for the same.

The UNDERSIGNED hereby declares that they have read and understand all conditions as outlined in the invitation for bids, and that their application is made in accordance with same.

The UNDERSIGNED hereby declares that any person(s) employed by the City of Portland, Maine, who has direct or indirect personal or financial interest in this application or in any portion of the profits that may be derived there from, has been identified and the interest disclosed by separate attachment. (Please include in your disclosure any interest which you know of. An example of a direct interest would be a City of Portland employee who would be paid to perform services under this application. An example of indirect interest would be a City of Portland employee who is related to any officers, employees, principal or shareholders of your firm or to you. If in doubt as to status or interest, please disclose to the extent known).

The proposer acknowledges the receipt of Addenda numbered ______________________________
If Applicable

COMPANY NAME: ____
(Individual, Partnership, Corporation, Joint Venture)

AUTHORIZED SIGNATURE: ______________________________ DATE: _______________
(Officer, Authorized Individual or Owner)

PRINT NAME & TITLE: ____

ADDRESS: ____

____

TELEPHONE: ________________________________ FAX: ___________________________

E-MAIL: __________________________FEDERAL TAX ID NUMBER: ___________________

DUNS NUMBER: ___________________________________
NOTE: All bids must bear the handwritten signature of a duly authorized member or employee of the organization making the bid. This sheet must be signed and returned with the application package.

X. EXHIBIT #1 – DEFINITION OF A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION

1. Is a private nonprofit organization under State or local laws;

2. Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;

3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:

    i. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
    ii. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for profit entity may not appoint the remaining two-thirds of the board members; and
    iii. The community housing development organization must be free to contract for goods and services from vendors of its own choosing;

4. Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986;

5. Does not include a public body (including the participating jurisdiction). An organization that is State or locally chartered may qualify as a community housing development organization; however, the State or local government may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of the participating jurisdiction or State recipient. Board members appointed by the State or local government may not appoint the remaining two thirds of the board members;

6. Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems;"

7. Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or bylaws;

8. Maintains accountability to low-income community residents by:

    i. Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and

ii. Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;

9. Has a demonstrated capacity for carrying out activities assisted with HOME funds. An organization may satisfy this requirement by hiring experienced key staff members who have successfully completed similar projects, or a consultant with the same type of experience and a plan to train appropriate key staff members of the organization; and

10. Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.

Mary Davis
Division Director, Housing & Community Development Division

TO:	Councilor Duson, Chair
	Members of the Housing Committee
FROM:	Mary Davis, Division Director
	Tyler Norod, Housing Planner
	Housing and Community Development Division
DATE:	February 8, 2017
SUBJECT:	2017-2018 Housing Trust Fund Annual Plan

SUMMARY OF ISSUE
Review and recommendation to the City Council of the 2017-2018 Housing Trust Fund Annual Plan.

REASON FOR SUBMISSION
The Housing Trust fund is established by Section 14-489 of the City's Code of Ordinances. Section 14-489 (e) states that "the city council shall adopt a housing trust fund annual plan" and that the "housing committee of the city council or such other committee as the council shall designate shall conduct public hearings on the recommended plan and refer the matter to the council for action."

INTENDED RESULT
The Annual Plan will establish the priorities in which the current balance of the Housing Trust Fund will be allocated.

COMMITTEE GOAL/COUNCIL GOAL ADDRESSED
2014: Promote Housing Availability – Provide increased availability in all segments of the housing market while insuring that there is a suitable balance of housing opportunities among those sectors. **2016**: Plan for five new "Housing First" projects.

FINANCIAL IMPACT
This budget is based on the current balance in the Housing Trust Fund which is primarily a result of fees generated by the Housing Replacement Ordinance. The balance of the Housing Trust Fund is $468,551. While staff anticipates increases in revenue in the Housing Trust Fund as a result of the Inclusionary Zoning Ordinance and other sources being considered by the City Council, those anticipated resources are not included in the 2017 Annual Plan as new funding commitments have not been received as of the date of this memo.

STAFF ANALYSIS AND RECOMMENDATION
City Ordinance requires that the Housing Trust Fund Annual Plan include a description of the programs to be funded, a budget for each program and identify how the funds will be distributed among very-low (at or below 50% of the area median income), low (at or below

80% of the area median income) and moderate income (at or below 120% of the area median income) households.

The Housing Trust Fund is a valuable tool that can assist the City in meeting the goal of providing increased availability in all segments of the housing market. While the City has other resources such as the HUD HOME and CDBG Programs, those funds are limited in amount and scope. The proposed Housing Program budget for FY 2017-2018 includes $327,145 in HOME funding for affordable housing development, $150,000 for housing rehabilitation and $362,113 in CDBG housing program income for housing rehabilitation. The HOME program restricts rental housing assistance to households at or below 60% of the area median income and home ownership assistance to households at or below 80% of the area median income. The CDBG program is restricted to households at or below 80% of the area median income. City Ordinance allows the Housing Trust Fund to assist households at or below 120% of area median income.

The purpose of the Housing Trust Fund is the "…promotion, retention and creation of an adequate supply of housing, particularly affordable housing, for all economic groups and to limit the net loss of housing units in the City." and "To serve as a vehicle for addressing very low, low and median income housing needs…". Currently, the Housing Trust Fund revenue is generated by the Housing Preservation and Replacement Ordinance. However, the recently approved Inclusionary Zoning Ordinance, along with other funding resources under Council consideration, will provide additional revenue for the Housing Trust Fund.

Affordability restrictions are required. In the case of rental or cooperative units, the units must remain affordable for the life of the housing unit which is presumed to be a minimum of thirty (30) years. Homeownership units must include resale restrictions that maintain an "equitable balance" between the interests of the owner and the City. These restrictions must be documented and recorded in the Cumberland County Registry of Deeds.

Recommendation

Housing Trust Fund resources should be focused on opportunities where other funding sources do not work or are not effective. Housing Trust Fund investment should be focused on projects designed to create workforce housing targeted to households earning 80% to 120% of the area median income and rental housing projects targeted to very-low income households (at or below 50% of the area median income). As always, the City should act prudently when deciding to invest these funds.

The Housing Trust Fund resources are also intended to promote the retention of affordable housing. Staff recommends that Housing Trust Fund resources be made available, if necessary, to exercise the City's right of first refusal it may have in connection with potential foreclosure issues with affordable homeownership units. This is unlikely to occur in the near future but may come up as more workforce homeownership units are created through Portland's new inclusionary zoning ordinance. Similarly, Housing Trust Funds resources should also be considered for aiding households that own affordable units to pay special assessments from their condominium or homeowners association in order to help maintain the unit's affordability and reduce any risk of foreclosure. It is important to allow for the consideration of using funds in these manners as foreclosure of a unit can jeopardize any affordability restrictions associated with the property.

Staff is requesting committee approval and recommendation to the City Council of the proposed 2017-2018 Housing Trust Fund Annual Plan for the balance of $468,551 currently existing in the Housing Trust Fund. Any revenue generated above and beyond the existing balance will not be allocated without an amendment to the Annual Plan.

HOUSING TRUST FUND 2017 ANNUAL PLAN

The Housing Trust fund is established by Section 14-489 of the City's Code of Ordinances. Section 14-489 (e) states that "the city council shall adopt a housing trust fund annual plan" and that the "housing committee of the city council or such other committee as the council shall designate shall conduct public hearings on the recommended plan and refer the matter to the council for action."

The Annual Plan will establish the priorities in which the current balance of the Housing Trust Fund will be allocated. The plan is in line with City Council Goals from 2014: Promote Housing Availability – Provide increased availability in all segments of the housing market while insuring that there is a suitable balance of housing opportunities among those sectors and from 2016, Plan for five new "Housing First" projects.

This budget is based on the current balance in the Housing Trust Fund which is primarily a result of fees generated by the Housing Replacement Ordinance. The balance of the Housing Trust Fund is $468,551. While staff anticipates increases in revenue in the Housing Trust Fund as a result of the Inclusionary Zoning Ordinance and other sources being considered by the City Council, those anticipated resources are not included in the 2017 Annual Plan.

Sources and Uses of Housing Trust Fund:

DEPOSITS			**EXPENDITURES**	
Maine Medical Center 2002-2003	$ 315,580		Avesta Oak Street Lofts 2011	$ (380,585)
Sportsman's Grill 2002	$ 40,000		Housing First Pre-Development RFP	$ (75,000)
Berlin City Auto 2009	$ 116,000		65 Hanover St	$ (9,250)
Stop n Shop 2010	$ 289,250		65 Munjoy ST	$ (175,000)
Rockbridge/Eastland Park 2012	$ 42,500			
Riverwalk/Ocean Gateway 2012	$ 250,000			
118 Congress LLC April 2014	$ 3,500			
Interest earned	$ 51,556		**Balance**	$ 468,551

City Ordinance requires that the Housing Trust Fund Annual Plan include a description of the programs to be funded, a budget for each program and identify how the funds will be distributed among very-low (at or below 50% of the area median income), low (at or below 80% of the area median income) and moderate income (at or below 120% of the area median income) households.

The Housing Trust Fund is a valuable tool that can assist the City in meeting the goal of providing increased availability in all segments of the housing market. While the City has other resources such as the HUD HOME and CDBG Programs, those funds are limited in amount and scope. The proposed Housing Program budget for FY 2017-2018 includes $327,145 in HOME funding for affordable housing development, $150,000 for housing rehabilitation and $362,113 in CDBG housing program income for housing rehabilitation. The HOME program restricts rental housing assistance to households at or below 60% of the area median income and home ownership assistance to households at or below 80% of the area median income. The CDBG program is restricted to households at or below 80% of the area median income. City Ordinance allows the Housing Trust Fund to assist households at or below 120% of area median income.

The purpose of the Housing Trust Fund is the "…promotion, retention and creation of an adequate supply of housing, particularly affordable housing, for all economic groups and to limit the net loss of housing units in the City." and "To serve as a vehicle for addressing very low, low and median income housing needs…". Currently, the Housing Trust Fund revenue is generated by the Housing Preservation and Replacement Ordinance. However, the recently approved Inclusionary Zoning Ordinance, along with other funding resources under Council consideration, will provide additional revenue for the Housing Trust Fund.

Affordability restrictions are required. In the case of rental or cooperative units, the units must remain affordable for the life of the housing unit which is presumed to be a minimum of thirty (30) years. Homeownership units must include resale restrictions that maintain an “equitable balance” between the interests of the owner and the City. These restrictions must be documented and recorded in the Cumberland County Registry of Deeds.

Housing Trust Fund resources should be focused on opportunities where other funding sources do not work or are not effective. Housing Trust Fund investment should be focused on projects designed to create workforce housing targeted to households earning 80% to 120% of the area median income and rental housing projects targeted to very-low income households (at or below 50% of the area median income). As always, the City should act prudently when deciding to invest these funds. Developments or projects requesting financing assistance from the Housing Trust Fund will be brought to the City Council for funding approval.

The Housing Trust Fund resources are also intended to promote the retention of affordable housing. Staff recommends that Housing Trust Fund resources be made available, if necessary, to exercise the City’s right of first refusal it may have in connection with potential foreclosure issues with affordable homeownership units. This is unlikely to occur in the near future but may come up as more workforce homeownership units are created through Portland’s new inclusionary zoning ordinance. Similarly, Housing Trust Funds resources should also be considered for aiding households that own affordable units to pay special assessments from their condominium or homeowners association in order to help maintain the unit’s affordability and reduce any risk of foreclosure. It is important to allow for the consideration of using funds in these manners as foreclosure of a unit can jeopardize any affordability restrictions associated with the property.

Staff is requesting City Council approval of the proposed 2017-2018 Housing Trust Fund Annual Plan for the balance of $468,551 currently existing in the Housing Trust Fund. Any revenue generated above and beyond the existing balance will not be allocated without an amendment to the Annual Plan.

any bonus received pursuant to this subsection, may not exceed the maximum height recommended for the location of the project pursuant to a height study that has been adopted as part of the city's comprehensive plan.

(Ord. No. 98-06/07, 12-4-06; Ord No. 240-09/10, 6-21-10)

DIVISION 31. HOUSING TRUST FUND

Sec. 14-489. Housing trust fund.

(a) *Purpose.* The purpose of enacting this section is:

1. To establish a City of Portland housing trust fund for the promotion, retention and cration of an adequate supply of housing, particularly affordable housing, for all economic groups and to limit the net loss of housing units in the City.

2. To serve as a vehicle for addressing very low, low, and median income housing needs through a combination of funds as set out in section 14-483 of this chapter.

(b) *Definitions.*

Very low income household. A household having an income not exceeding fifty (50%) percent of median income for area of residence as set forth in regulations promulgaged from time to time by the United States Department of Housing and Urban Development pursuant to 42 U.S.C. section 1437 et seq.

Low income household. A household having an income not exceeding eighty (80%) percent of median income for area of residence as set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development pursuant to 42 U.S.C. sections 1437 et seq.

Moderate income household. A household having an income not exceeding one hundred twenty (120%) percent of median income for area of residence as set forth in regulations promulgated from time to time by the United Sates Department of Housing and Urban Development pursuant to 42 U.S.C. sections 1437 et seq.

(c) *Establishment of the housing trust fund.* The city council shall establish a special revenue account under the name

"City of Portland Housing Trust Fund." Deposits into the fund shall include:

1. Contributions from the city's housing replacement ordinance under 14-483(i);

2. Funds appropriated to be deposited into the fund by vote of the city council;

3. Voluntary contributions of money or other liquid assets to the fund;

4. Any federal, state or private grant or loan funds provided to the fund:

5. Interest from fund deposits and investments; and

6. Repayments of loans made from the fund.

(d) *Management of the trust fund.* The city manager, or his or her designee, shall serve as the manager of the housing trust fund. The responsibilities of the manager, subject to the orders of the city council, shall include:

1. Maintaining the financial and other records of the housing trust fund;

2. Disbursing and collecting housing trust fund monies in accordance with the housing trust fund annual plan; and

3. Monitoring the use of monies distributed to successful applicants for housing trust fund support to assure on-going compliance with the purposes of the fund and the conditions under which these monies were granted or loaned.

(e) *Housing trust fund annual plan.* Each fiscal year, the city council shall adopt a housing trust fund annual plan. The city manager shall submit to the city council a recommended housing trust fund annual plan, utilizing the revenues of the housing trust fund as well as any other funds the manager may propose as appropriate. The housing committee of the city council or such other committee as the council shall designate shall conduct public hearings on the recommended plan and refer the matter to the council for action.

The housing trust fund annual plan shall include:

1. A description of all programs to be funded in part or in full by the housing trust fund;

2. A description of how funds from the housing trust fund will be distributed among very-low-income, low-income and moderate income households; and

3. The amount of funds budgeted for programs funded in part or in full from the housing trust fund.

Priority for the expenditure of funds collected pursuant to the housing replacement ordinance (see Sec. 14-483) shall be given to the creation of new housing stock, through either new construction or conversion of non-residential buildings to residential use.

(f) *Distribution and use of the housing trust fund's assets.*

1. All distribution of principal, interest or other assets of the housing trust fund shall be made in furtherance of the public purposes set out in section 14-483.

2. During each year, the housing trust fund shall disburse as grants or loans so much of the housing trust fund's assets as the city council in its discretion has approved in the housing trust fund annual plan.

3. Funds shall not be used for city administrative expenses.

4. Funds shall not be used for property operating expenses or supporting services.

5. No grants or loans shall be awarded by the housing trust fund to corporations, partnerships or individuals who are delinquent, at the time of application in the payment of property taxes or other fees to the city of Portland, who Have been convicted of arson, who have been convicted of discrimination in the sale or lease

of housing under the fair housing laws of the State of Maine, or who have pending violations of current city electrical, plumbing building or housing codes or zoning ordinances.

(g) *Term of affordability.*

1. Whenever funds from the housing trust fund are used for the acquisition, construction or substantial rehabilitation of an affordable rental or cooperative unit, the City of Portland shall impose enforceable requirements on the owner of the housing unit that the unit remain affordable for the remaining life of the housing unit, assuming good faith efforts by the owner to maintain the housing unit and rehabilitate it as necessary. The remaining life of the housing unit shall be presumed to be a minimum of thirty (30) years.

2. Whenever funs from the housing trust fund are used for the acquisition, construction or substantial rehabilitation of ownership housing, the city of Portland shall impose enforceable resale restrictions on the owner to keep the housing unit affordable for the longest feasible time, while maintaining and equitable balance between the interests of the owner and the interests of the city of Portland.

3. The affordability restriction requirements described in this section shall run with the land and the city of Portland shall develop appropriate procedures and documentation to enforce these requirements and shall record such documentation in the Cumberland County Registry of Deeds.

(Ord. No. 281-09/10, 7-19-10)

Sec. 14-490. Reserved.

ARTICLE IV. SUBDIVISIONS*

***Cross reference(s)**--Ordinances dedicating or accepting any plat or subdivision in the city saved from repeal, § 1-4(h).

State law reference(s)--Land subdivisions, 30-A M.R.S.A. § 4403.